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EDITORIAL COMMENT

By the decisive vote of 3,611 to 3,157, the people of Hamilton, Ohio, defeated on November 5 an amendment to the city charter to do away with proportional representation for the election of the city council. In the election of councilmen on November 5, the second under proportional representation, five of the seven seats were won by candidates of the City Charter Committee, the organization which was formed three years ago to secure city manager—proportional representation government for Hamilton.

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Between 1924 and 1928 the general taxpayers of Milwaukee paid $4,000,000 for street widening, more than one-half of which should have been financed by special assessments, according to the Citizens' Bureau of Milwaukee. Legal difficulties account for part of the failure to relieve the general taxpayer of the cost of improvements specifically benefiting restricted areas, but the major responsibility is placed on the city council which has been negligent in utilizing the machinery available.

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Mayor Carlson, an old friend of the National Municipal League and for nearly twenty years mayor of Jamestown, New York, has been reëlected mayor of that city by 12,000 votes over his nearest opponent. Mayor Carlson's long term in the executive chair was interrupted when he was defeated two years ago. His reëlection for another term constitutes a gratifying popular confidence in his capacity for municipal leadership.

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Persons who have anything to do with county government should secure a copy of the report on Wayne County (Detroit) finances recently submitted by the board of county auditors analizing the budgets from 1925 to 1929. Expenditures for each year in the period are classified and compared by activities, and explanations of increases are made.

One of the most conspicuous proofs of the general incompetence of county governments is found in their reports of activities and expenditures which are generally unintelligible and frequently misleading. The citizens of Wayne County are therefore to be congratulated in having access to a simple, direct account of how their money is being spent. It is hoped that the pamphlet which is entitled "The Cost of County Government" will be continued as an annual publication.

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In his department of Public Utilities in this issue Dr. Bauer discusses the recent market crash in public utility stocks. He points out the need for effective regulation of rates, partic-

ularly in the electric light and power field; in which speculative values exceeded all bounds of reason. The failure of public utility commissions to adjust rates to lowered costs of manufacture tempted promoters and financiers to erect elaborate capital structures controlled by pyramided holding companies and predicated upon impossibly optimistic expectations for the future. Dr. Bauer believes that a public utility, being a business affected with a public interest, should be removed from the field of speculative finance entirely.

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National Income Doubles in 15 Years

The total income of the people of the United States increased $23,470,000,000 in the ten years from 1919, or from $65,949,000,000 to $89,419,000,000 in 1928, according to a copyrighted statement summarizing a report in preparation by the National Bureau of Economic Research. The report shows in detail the annual changes in the national income and its purchasing power from 1908 to 1928. The preparation of the report required more than four years' time. Dr. Willford I. King was in charge of the work.

One of the tables included in the report reveals that the per capita realized income, when measured in dollars current at the various dates, more than doubled between 1909 and 1923, and has since been steadily increasing. In 1928 the average per capita income of all inhabitants of the United States amounted to $749. For a family of five members this would make an income of $3,745. Of course, the total realized income is far from being equally divided.

In the last analysis, taxes are paid from income and when the taxpaying capacity of the people is considered, increases in government expenditures during the last two decades do not appear so extravagant as some tax-reduction advocates would have us believe.

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The Bauer Plan of Utility Regulation

The commission on the revision of the public service commissions law in New York [1] has before it for consideration the so-called Bauer plan of valuation for rate-fixing purposes. Readers of the REVIEW are familiar with this plan, which has been discussed frequently by Dr. Bauer in his department of Public Utilities. Briefly, it recommends that public utility commissions, acting under legislative mandate, fix a valuation of existing properties once and for all. Future valuations will be calculated by adding to these base valuations the actual cost of necessary improvements and additions made subsequently. The purpose is to lift the valuation process from the sphere of speculation and guesswork to the plane upon which the rate base may be figured with mathematical accuracy. There is wide dissatisfaction with present methods of public utility regulation in New York and the Bauer plan is receiving careful consideration.

The so-called Prendergast plan, so named after its sponsor, William A. Prendergast, chairman of the New York Public Service Commission, is also before the New York investigating commission. While agreeing with much of Dr. Bauer's criticism of present valuation methods, Chairman Prendergast does not believe that valuations of present properties can be fixed once and for all by governmental mandate. With respect to valuation of new properties, Messrs. Bauer and Prendergast appear to be in accord; it is in the matter of determining the base valuation that they differ.

[1] See NATIONAL MUNICIPAL REVIEW for September, 1929, p. 385.

Chairman Prendergast believes that an attempt to freeze an unvarying valuation upon the present properties of utility companies, even if specifically authorized by statute, will be unsuccessful if reproduction costs in future years depart widely from the present level. Dr. Bauer recognizes the possibility that the courts might not follow the fixed basic valuation, but believes that the risk should be taken. He points out that to reach the base valuation through agreement with the utilities, as Mr. Prendergast suggests, is impracticable. The New York commission alone would have to come to agreement with about eight hundred utility companies before the new plan of valuation could begin to operate, and it is vain to hope, says Dr. Bauer, that valuations fair to the public could be attained within this generation.

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New Jersey Dallies with Reorganization

Although New Jersey's state government exemplifies short-ballot principles as far as elective officials are concerned, the administrative organization follows the old decentralized plan to an unusual degree. The report of the Bright Commission made in 1925, recommending a reduction in the number of agencies and a centralization of fiscal control under the governor, was promptly tabled by all concerned. Only a few copies of the published document were distributed and it is said that the rest were destroyed by interests hostile to reform.

When Governor Larson entered office in January, 1928, he proposed a thorough administrative survey, and in pursuance of appropriations made by the legislature the National Institute of Public Administration was retained to make a survey. Although the report of the Institute has not yet been completed, information relating to certain important recommendations has been released to the press by unknown persons, and seemingly to the embarrassment of the governor.

According to newspaper accounts, the survey terms New Jersey's financial structure "a most archaic and scrambled arrangement." It recommends the abolition as independent offices of the state house commission, the civil service commission, the budget commission, the purchasing agent, and the state printing board. A new department of finance is to be established, to be divided into four bureaus: budgeting, accounting, purchasing, and personnel.

A state income tax is proposed as a means of retaining in New Jersey about $1,500,000 in levies which are now paid to New York by New Jersey residents doing business in that state.

The investigators find that there is no real budget, the so-called budget being merely "a makeshift financial proposal." It is recommended that the state controller, who now not only controls the expenditure of state funds but also audits his own accounts, be relieved of all power other than that of auditor. The office of state purchasing agent is now "mainly a political job." The state house commission is to be absorbed in the department of public works. It is impossible, say the investigators, to develop a system of financial administration as long as the state house commission remains. This commission is composed of the governor, the controller, and the state treasurer. Its method is said to be one of compromise, conference and maneuver, often with a political tinge.

Although reorganization along the lines of the survey report would probably be productive of marked economies in a state which spends probably seventy-five millions of dollars a year

(no one knows the exact amount, and less than thirty million dollars appears in the budget), the political gossip is that the governor will discard the recommendations when he prepares his annual report to the 1930 legislature. Heads of agencies to be reorganized are said to feel that the survey proposals would create an upheaval more serious than any advantages gained from reorganization.

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"Why I Believe in the Patronage System"

"I am a firm believer in what is known as the patronage system of making political appointments." Thus writes W. Rupert Davies in this issue of the REVIEW. We do not share Mr. Davies' belief, but compliment him upon his courage in publicly sponsoring a cause which is generally discredited except among those whom we call politicians and is rarely defended publicly.

Mr. Davies makes it clear that he is not referring to the highly technical positions where experts are needed, but simply to the garden variety of government jobs, ranging all the way from letter carriers and lighthouse keepers to judgeships. No men, not even candidates of high ideals espousing worthy causes, are elected by simply announcing that they are candidates. Hundreds of workers have to be enlisted and an efficient organization administered to attain success at the polls. Is there any reason why a man who has worked to elect a successful candidate should be denied a political job, while another who did everything he could to defeat him is retained? Everybody, says Mr. Davies, referring particularly to Canadian practice, knows that civil service commissions are composed of politicians, and that political pull helps, even if the merit system be legally in force. The political workers are the people who elect the government and surely they should be rewarded.

As long as Mr. Davies talks about night watchmen or lighthouse tenders his doctrine will appear reasonable to many. Why can't the average Conservative supporter trim lamps or type a letter as efficiently as the average Liberal? Perhaps we might agree if experience had not demonstrated that political selection has given us many incompetents in even the simplest occupations.

But, waiving the question of fitness for humble tasks, there is one point which Mr. Davies neglects. It is the relation of morale to operating efficiency. As long as even the minor posts are filled by the orders of politicians, the workers will be politicians rather than typists and lighthouse tenders. They will be intent upon keeping their jobs rather than upon performing the work for which the public pays them, and their political activities will continue to taint the whole service irrespective of what methods are employed for the selection of the technical experts.

If it is true that civil service commissions are themselves politically controlled, and there is evidence that many are so controlled, it is time that the people abolished such control. Dr. Leonard D. White discovers from statistical studies that public employment is held in low regard by private citizens [1] and declares that this low prestige acts as a detriment to the efficiency of civil employees because it strikes at their morale. In our judgment, neither prestige nor morale nor efficiency can be improved so long as the public acquiesce in the continuance of the spoils system, no matter what political philosophy may be summoned to its defense.

[1] See NATIONAL MUNICIPAL REVIEW for November, 1929, p. 661.

ALONG THE GOVERNMENTAL BATTLE FRONT

PRESIDENT'S ADDRESS TO THIRTY-FIFTH ANNUAL MEETING OF THE NATIONAL MUNICIPAL LEAGUE

BY RICHARD S. CHILDS
President, National Municipal League

AMERICA has found out how to make its democracy "democ." It used to be true that "reform administrations were never reëlected," but under the city manager charters, reform administrations are being consistently reëlected many times in unbroken succession.

At the elections this November, in Cleveland, Cincinnati and Rochester, which are the largest cities to have the city manager plan, good government forces have triumphed for the third successive time although unsupported by professional political organizations and contesting against highly organized political machines.

Interesting and significant are figures concerning the growth of the manager plan. Exactly 430 American cities have adopted it, this figure including one acquisition as a result of the recent elections—New Rochelle, N. Y. As an indication of the startling rate of growth that is still continuing, 40 cities have launched forth under the plan since January, 1928. More than 7,000,000 persons are now living under the city manager plan.

Even more significant, however, is the interest being shown in the manager plan by metropolitan centers which a few years ago turned up their noses at it as a "small town" scheme, as well as the attitude which municipalities in Europe and other countries have developed with regard to city government in America.

Philadelphia, Chicago, San Francisco, Indianapolis, and even our national capital, Washington, are looking toward this typically American type of government as the cure for their administrative ailments.

In the 400 smaller cities which have this plan, the experience is similar; Dayton, O., for example, having enjoyed continuous good government since 1911 through nine successive elections despite all efforts of political bosses to regain control of city hall. In small cities and large, the period of practical test is completed. The plan is no longer to be regarded merely as an interesting and sensible-looking novelty but as a well-proven fixture destined to become the prevailing form of municipal government in America.

Its success is attributed to the fact that under this plan the great majority of citizens who are not in politics easily develop their full political strength. Frequently in these towns, this large silent vote elects candidates who have no organized support whatever, whereas machine support has often damaged candidates more than it has helped them.

It only remains to extend the plan to the remaining 2,000 cities and to perfect ways to apply the same basic principles to state and county governments. The National Municipal League is proceeding as vigorously in such directions as its resources permit.

Requests for information on the plan pour daily into the office of the National Municipal League from throughout this country and abroad. Cities of even so distant a continent as Australia have been communicating with us during the past few months.

Since Lord Bryce made his unsatisfactory comment on the subject of American municipal government, Europe has been justifiably suspicious of anything in the way of better government emanating from this side of the Atlantic. Perhaps the greatest stride from the standpoint of world-wide reform in this field came this past year when Cork, Ireland, adopted the city manager plan. Not only is this *prima facie* evidence of the fact that European opinion has greatly changed toward what we are doing in America, but it means that the "American" plan, as it is universally termed abroad, is likely to spread over there like everything else bearing the stamp "Made in America."

Enough for the manager plan: it speaks for itself hourly in the hundreds of cities which have been operating under it.

The spread of the short ballot principle accompanies, of course, the city manager plan. The two are inseparable. In general the short ballot principle is now so well established that it is accepted as a matter of course as the foundation stone of centralized responsibility in government.

Reducing the number of offices on the ballot and focusing the attention of the voter on the important officials to be chosen, the short ballot at once accomplishes the fixing of responsibility and greater democracy through the elimination of the political machine as a "ticket-maker."

As to the manager plan in counties, this conference will make history in this field. The model law being prepared by the committee of the National Municipal League will take its place beside the model charter for cities as the recognized standard for new legislation.

The manager plan for counties is no longer theory—nine counties, four in Virginia and five in North Carolina, have a half-baked manager plan, but are far better off than without it. How much more improved would be their condition with a full-fledged manager plan!

In brief, the year 1928–29 has been marked by steady progress along every governmental battle front. Chicago is now groping its way out of the fog. Progress here, as shown in the convention number of the NATIONAL MUNICIPAL REVIEW, is typical of improvements being made in municipal government and administration generally throughout the country.

DANGERS IN AMENDING ZONING ORDINANCES[1]

BY CHARLES E. HAMMERSLEY

President, League of Wisconsin Municipalities

The common practice of amending zoning ordinances at the behest of favored individuals must cease. :: :: :: :: :: ::

EVERY property owner in the city surrenders certain valuable rights by the adoption of a zoning ordinance. What he gets in return depends on the fairness with which such an ordinance is made or amended and the firmness with which it is maintained. Extensive power with corresponding responsibility is vested in municipal councils in the classification of zones and the creation of districts and the designation of their dividing lines. At the time a zoning ordinance is adopted the present and future needs of the city must be considered to determine these matters. And when a zoning ordinance is once passed it should be so well considered that it should not be necessary to change it immediately after its passage.

Amendments of zoning ordinances from time to time are sometimes necessary to improve or perfect the general zoning plan or to provide for industrial or business development. But when a zoning ordinance is once enacted the judgment or discretion of the city council, when reasonably exercised, should be binding and conclusive for a reasonable period of time. Amendments should be constructive, not destructive. They should be for a public purpose, and not for a private purpose if that purpose impairs a public one. After a zoning ordinance has been passed a municipal council is continuously importuned to change the ordinance so that some private owner of property can use his property to better advantage for some other purpose than the purpose for which it is classified. Ordinarily to grant such a request means that all the other people in that vicinity suffer a corresponding loss for the gain that the selfish person receives by obtaining a change in the zoning ordinance.

A desire to benefit the owner is a worthy purpose if it can be done without injuries to others or without detriment to the public welfare. But amendments to zoning ordinances are generally made without regard to any city plan or any scheme to promote the future development of the city or to serve any particular public purpose, but merely to serve the greed of some individual.

Zoning ordinances are of recent origin. Until a few years ago cities were allowed to grow and develop without any city plan, municipal control or guiding hand. Every property-owner could use his property for any purpose he saw fit provided such purpose was not so offensive to others as to constitute a nuisance. In this haphazard development one industry, business, or use encroached on another to such an extent that there was great economic waste and great damage and inconvenience to the public generally. To remedy this condition the legislatures of many states passed statutes

[1] Address delivered at the third annual convention of the Wisconsin City and Regional Planning Association.

authorizing cities and villages to plan their development and to adopt zoning ordinances to carry out such plans. The legislative intention is to secure, without unnecessary loss to the owner, conformity of buildings and uniformity of zoning districts, and the only ground upon which such a statute or such an ordinance passed thereunder can be sustained, is that it serves a public purpose.

AMENDMENTS MAY DESTROY JUSTICE OF ZONE PLAN

Statutes and ordinances passed for a private purpose as distinguished from a public purpose, have frequently been condemned. A statute or ordinance adopted for a private purpose usually benefits the private person at the expense of the public welfare. The detriment usually exceeds the benefit. This is particularly true of zoning ordinances passed to benefit particular individuals.

After a district has once been created changes are apt to be arbitrary. They are usually of doubtful validity because they violate the federal constitution, which provides that no state may deny to any person within its jurisdiction equal protection of the laws. Tested by proper rules most of these amendments cannot be sustained. There is generally no substantial distinction, within the meaning and provision of the zoning law, between the property for which a change is proposed and the other property in that vicinity.

The discretion vested in the municipal council to amend a zoning ordinance must be exercised to promote a public purpose, if the ordinance is to have validity, stability, or value.

City councils and zoning boards of appeal have shown altogether too much concern for the private person who wants a private gain through zone changes, and too little concern for the mass of citizens injuriously affected by such change. Nine times out of ten the public interest is injuriously affected by zoning changes. If zoning is to continue to receive public support and respect, private changes for private gain must stop. It is grossly unfair to the public to create a zone and then grant some private person an amendment permitting a non-conforming use to the injury of his neighbor. Just as sure as you permit the municipal council politicians to play politics with zoning as they are doing, you will sound the death knell of zoning.

JUSTICE OF THE PEACE IN CONNECTICUT

BY LANE W. LANCASTER
Wesleyan University

There are 1,300 J. P.'s in Connecticut, but fortunately only a relatively small proportion still try to administer justice. :: :: ::

If the wit of man is not such as to permit him often to recognize the establishment of an institution, he is at least occasionally privileged to stand by and watch the passing of one. And to the student of politics few things are more interesting. Being a derivative rather than a primary concern of man, government suffers more perhaps than economic institutions from the evils of maladjustment between structure and function.

Nowhere have these maladjustments been more striking or productive of more evil results than in the case of the administration of justice. Each year the tone of our national life is increasingly affected by the fact that we are predominantly city-dwellers. Yet much of our judicial machinery is the result of town-pump and general store philosophizing, reminiscent of frontier days.

The perfect flower of this type of thinking and of the conditions under which it flourished is found in the office of justice of the peace. Among a population of farmers and villagers quarrelling occasionally over line-fences and straying cattle, the squire dispensed a convenient and handy justice. The quality of this justice, while it might be open to question by the fastidious in such matters, was long held preferable to the article dispensed by real judges, always suspect as "experts" and as the minions of a far-distant and unsympathetic "gov'-ment." The fate of this hoary office when the civilization of which it was so distinctive a part met the impact of new social forces is of absorbing interest.

CONNECTICUT THE CONSERVATIVE

Of all New England, Connecticut probably preserves more nearly intact the point of view and the governmental arrangements which long gave its peculiar character to that exasperating region. All of the other states have at one time or another followed after strange gods—experimenting with such contraptions as the direct primary, simple majority rule, income taxes and what not. The urban hosts of Boston and the mill towns may, if they will, have their way as against the embattled farmers of the Berkshires; and even in Maine and New Hampshire, business men, politicians, lawyers and mill owners from Portland and Lewiston, Manchester and Nashua seem to count. But under the gilded dome at Hartford, session after session, selectmen, assessors and tax collectors, from Plymouth and Pomfret, Salisbury and Suffield, have determined the public policy of the Wooden Nutmeg state and imported into the business of an urbanized community the town point of view.

The problem of what to do about the justice of the peace has been attacked (where it has been attacked at all) in various ways. In some places he has been simply legislated out of existence and his jurisdiction transferred to presumably more competent tribunals; in others he has been made a magis-

trate, given a salary and required to meet more or less adequate qualifications; in England, characteristically, nothing has been done about the office except to increase the number of holders of it and rely upon the clerks to infuse the necessary knowledge—with good results, it may be said in passing. With her penchant for being different Connecticut has approached the problem from another angle. By a process of attrition applied by the legislature the "squire" is rapidly becoming extinct in the "land of steady habits."

For the first years of its existence as a colony the only court in Connecticut was the general assembly.[1] In 1640, however, because of their great distance from the seat of the assembly a "commissioner" was appointed to act at Fairfield and Stratford. No other regular means was provided for the trial of small causes until the creation of the county courts in 1669. While the "commissioner" appointed in 1640 was the ancestor of the justice of the peace, no mention of the latter functionary is found until 1686 when he was empowered to try civil causes in which the amount at issue was less than forty shillings and did not involve title to land. Criminal jurisdiction was first conferred in 1702, but was limited to misdemeanors for which the punishment did not exceed a fine of forty shillings.[2]

The civil jurisdiction of the justice of the peace was increased at various times, until in 1872 it reached its present limit of $100. Today if the amount at issue exceeds $20 either party may demand a jury of six upon posting surety against loss to the other party. Service on a justice's jury is paid for at the rate of one dollar a day.[3] The final criminal jurisdiction of the justice of the peace extends only to misdemeanors punishable by a fine of not more than $25 and imprisonment for not longer than thirty days. Where the offense charged entails a heavier penalty the justice is required to hold the accused for the superior court.[4] By statute the justice of the peace is required to render an account annually to the town treasurer of all fines and penalties imposed, he is required to keep a docket and upon his death, dismissal, or removal from the state, his records are required to be delivered to that catch-all of New England town government—the town clerk.[5] By judicial interpretation the court of a justice is a court of record, but the justices of the peace do not constitute a part of the judicial department of the state within the constitutional meaning of that expression.[6]

Justices of the peace in each county are provided for by the constitution of the state, but they are elected by towns according to the general law which also prescribes their civil and criminal jurisdiction.[7]

THE GRAND JURORS

The machinery of the justice's court is completed by the choice in each

[1] The upper house of the assembly continued to exercise judicial functions until the constitution of 1818.

[2] Loomis and Calhoun, *Judicial and Civil History of Connecticut*, pp. 155–6.

[3] *Sections 2231, 5757, Gen. Stats., Rev. of 1918.*

[4] *Sections 6542, 6547, Gen. Stats.* The justice may, however, take final jurisdiction in cases involving a fine of a hundred dollars and a jail sentence of a year, if, in his opinion, the penalty ought not to be greater than that stated above.

[5] *Sections 5424, 5430, 342, Gen. Stats.* I am informed by the tax commissioner's office that their experience in auditing town accounts indicates that the justices have been very lax in rendering their accounts of fines and penalties to the town treasurer.

[6] See *American Bonding Company* v. *Hoyt*, 88 Conn. 251; *Alcorn* v. *Fellows*, 102 Conn. 22.

[7] *Constitution, Art. 5, Sections 2 and 3; Amendment 10.*

town of grand jurors and constables. Each town may elect from two to six grand jurors and not more than seven constables.[1] The grand jurors are the prosecuting officers in the justice's court and are empowered as well to make inquest as to crimes and misdemeanors committed in their bailiwicks. Aside from this blanket authorization to look after the good order of the communities, various statutes confer authority to prosecute in specific cases such as the following: infractions of the factory laws, sale of intoxicating liquors, sale of impure foods and dairy products, failure to pay personal tax, keeping annoying and snapping dogs, failure to cut wild carrots and Canada thistles, and driving over bridges faster than six miles an hour!

The general inquest of grand jurors has fallen into disuse, and this has had the incidental effect of doing away with grand jury indictments except in cases where the punishment is death or life imprisonment, in which case the superior court is required to summon a grand jury of eighteen.[2] The success of the grand jurors as prosecuting officers varies greatly between towns. In most places prosecution is a mere matter of form. In some towns, however, where the grand juror happens to have a talent for such work he acts much like the prosecuting officials in the higher courts, presenting his case with a vigor which might be envied by those in more exalted stations. For the arduous duties of his office, the grand juror is paid $2.00 per day, and six cents for each mile of necessary travel.

[1] *Section 262, Gen. Stats.*

[2] *Sections 6583, Gen. Stats.;* see also *State* v. *Danforth,* 3 Conn. 112 (1819); *State* v. *Chin Lung,* 106 Conn. 719 (1927). For the early history of the grand jury see *65 Conn. 27,* and the preface to the first volume of Conn. Reports.

1,300 J.P.'s

There are at the present time in the state approximately thirteen hundred qualified justices of the peace. In the larger communities they have been in practice largely ousted from their criminal jurisdiction by the town, city and borough courts, and the civil business still cognizable in their courts is generally handled by two or three justices. In such communities most of the justices of the peace are lawyers, bankers, or business men who find it convenient to have the powers of a notary which belong to the office. In short, except in the country towns, only a small minority of the holders of the office ever try cases. In the rural parts of the state, however, the justice still fills a need for quick and informal justice. How well he fills the need is problematical. Certainly many of the abuses associated with the office elsewhere have appeared in Connecticut.

In some of the shore towns, for example, the trial of violators of the motor vehicle laws is a lucrative source of income to the justice whose "parlor" of a Monday evening is often converted into a busy courtroom to the singular comfort of the presiding officer, the grand juror and the constable. Here also, as elsewhere in civil matters, J. P. has come to stand for judgment for the plaintiff, and small town lawyers in discussing their petty civil business refer with an air of assured proprietorship to "my own justice." The fees connected with the office are not large, but in some cases they would appear to be large enough to figure in the domestic economy of a justice whose regular income is the result of hard work in the thin and rocky soil of a hill farm.[3]

[3] Statutory fees are: for entry, trial and record, for either a civil or criminal cause, $3.00; hearing and binding over, $3.00; each additional day after the first, $2.50; orders of notices, mittimus,

Apart from the use of the office as a means of making money, the rank and file of the justices would seem to be quite lax in the routine conduct of their work. A recent investigation indicates that their records are badly kept or not kept at all, and in general the tribunal as a court leaves much to be desired.

CITY AND BOROUGH COURTS

Most of the abuses and slipshod methods of the justice of peace court have long been known. They have, however, never been subject to any effective supervision, and information as to their actual working has consequently been lacking. There has for that reason not been worked out any real policy towards justice in small causes, and the legislature has met perceived difficulties by whittling away the ancient jurisdiction of the justice. This process has consisted in the creation from time to time since the middle of the last century of town, city and borough courts. The majority of these courts date from 1890, and since that date scarcely a legislature has failed to create at least one such new court. At present there are sixty-one in the state, twenty-two of which are located in the cities and thirty-nine in the boroughs and towns. Since each court is created by special act of the general assembly, it is not possible to generalize as to their jurisdiction. In some cases both civil and criminal jurisdiction is conferred; in others, only crimes and misdemeanors may be tried. In most of the acts the powers exercised by justice of the peace in criminal courts are specifically conferred upon the new court and the justice thus ousted; in others the jurisdiction of the two tribunals is apparently concurrent. But certainly it may be said that in the cities of the state the criminal business of the justice of the peace has almost disappeared with the coming of the city court.[1] On the civil side, hard times are apparently ahead for the justices in view of the fact that provision has been made by the general assembly for the settlement of small claims by the city and town courts of the state.[2]

taxation of costs, etc., 50 cents; for each continuance, 25 cents.

J. P.'S ARE PASSING EVEN IN CONNECTICUT

The criminal business of the justice of the peace has long consisted in large part of violations of motor vehicle laws, and the usual abuses in handling such matters have not been absent in Connecticut. In view of this fact and as an experiment, the General Assembly of 1929 created the first traffic court in the state. The new court is located in Danbury and has jurisdiction over violators of the motor laws in that city and in the adjoining towns of Ridgefield, Bethel, New Fairfield, and Redding. The new court is presided over by a judge who is paid a salary of $6,000, and is competent to impose fines up to $500 and jail sentences not in excess of one year. The experiment is being watched with interest and, if successful, similar courts will probably be set up elsewhere.[3]

[1] The sixty-one courts are in towns, cities and boroughs having a total population of about 1,250,000, or more than 90 per cent of the total for the state. Eight new town courts were created by the General Assembly of 1929.

[2] *Chapter 93, Public Acts 1929.* A small claims division was established in the Hartford City Court by the 1927 session, *Special Acts No. 319*, and has proved both popular and efficient during its first two years. A similar act was passed for New London by the General Assembly of 1929, *Special Acts No. 155.*

[3] The traffic court also has jurisdiction over offences relating to the sale, use, or adulteration of gasoline and oil, and the establishment and maintenance of filling stations. *Sp. No. 339, 1929.*

The result of these developments is obvious. The simpler judicial machinery of the countryside has broken down in a country where the varicolored "gas" pump has become a familiar feature of the roadside, taking the place of the arching elms and the graceful well-sweep of the somnolent villages of the mid-nineteenth century. Paid city and borough judges hold court daily in all but the most remote and sparsely populated portions of the state. Nine times out of ten elsewhere the title justice of the peace is conferred by an uninterested electorate on lawyers and bankers who find it a convenient accessory in their business. The picturesque figure of the squire fresh from his chores dispensing justice from the horsehair sofa of a summer evening thus gives way to the smart banker behind his brass and marble parapet, authenticating deeds, and rushing off at four for a round of golf.

If the justice of peace passes, however, something must take his place and it does not seem unlikely that when the process of attrition is completed, new construction will have to be undertaken. It is too soon to predict what form the new popular tribunal will take. Perhaps the grouping of towns into districts, as has been done in Massachusetts and as is foreshadowed by the Danbury traffic court, will point the way out. Indeed if the present town and borough courts are left undisturbed, this seems the only way out for that part of the area of the state not yet supplied with such courts in places convenient of access to a wide area. The present town and borough courts are not above criticism, and it may be that tribunals of wider territorial jurisdiction will eventually take their place. Subject to no effective central supervision and controlled as to personnel, salary, and equipment by the general assembly, many of these courts are inefficient in keeping their records as well as in the actual administration of substantive justice, and nearly all of them are integral parts of the machinery of the dominant political party.[1]

[1] For comments on the local courts see the first Report of the Connecticut Judicial Council. The only policy which the general assembly seems to have in creating these town courts—if, indeed, it can be called a policy—is to consolidate the party strength locally. Certainly in some cases the local government is not consulted before action is taken. That the party organization appreciates the importance of these courts in maintaining itself in power is indicated by the fact that Governor Trumbull's proposal to have the governor appoint to the local bench was entirely ignored by party leaders in the last general assembly.

PROBLEMS CONFRONTING THE BERLIN ADMINISTRATIVE AREA[1]

BY OBERBÜRGERMEISTER GUSTAV BÖSS
Berlin

Translated by R. A. Egger, Princeton University

Greater Berlin, formed by the union of 94 municipalities, faces greater responsibilities than ever troubled Old Berlin. :: :: ::

THE purpose of the consolidation of the historic city of Berlin with ninety-three adjacent cities, towns, and manorial estates, was to create a metropolitan agency capable of correlating the administration of the entire area. In attempting a retrospective evaluation of its success, and a description of the problems with which the *Grossstadt* is immediately confronted, it is necessary to consider those factors which differentiate the problems of Berlin from those of other cities.

Berlin, the chief city of the realm, is not an enterprise of merely local importance and significance; it is a great project of the entire German Republic, belonging to the whole German people. Such indeed is its natural position as the capital city of Germany. In Berlin live the official representatives of foreign lands. To Berlin hundreds of thousands of strangers from foreign lands journey yearly. To Berlin come investigating commissions from all parts of the world. It is therefore Germany's chief point of contact with the outside world. From the impression which the capital city makes upon these ambassadors of foreign lands will Germany and its importance to the world be judged. For that reason the city largely must concern itself about imponderables, about psychological facts, which, perhaps more than most people realize, determine leadership in affairs of great consequence.

BERLIN'S RAPID GROWTH A COMPLICATING FACTOR

The problems of Berlin are even most difficult because the city has risen to its present position in less than ten years. In 1825, when London had 1,400,000 and Paris 700,000 inhabitants, Berlin counted only 200,000 people. In the two decades succeeding 1861, Berlin's population grew from 500,000 to 1,100,000 souls. Today Berlin is, with its population of 4,200,000, the second largest European city. The inclusion of the surrounding territory of 880 sq. km., if Los Angeles, California, is excepted, made it in area the largest city in the world. Paris, with its 2,900,000 people, embraces only one-eleventh as much territory as Berlin, while London, with its 4,500,000 souls, is geographically only slightly more than one-third as large as Berlin.

Berlin dares not consider its problems as of purely local importance, but is compelled to view them from the standpoint of all Germany—of that, Berlin is, and must be, aware.

[1]This article is a translation, with some rearrangement and elimination of statistical material of interest primarily to German readers, of Oberbürgermeister Böss' "Die Verwaltungsgemeinde Berlin und Ihre Aufgaben," which appeared in *Zeitschrift für Kommunalwirtschaft* of October 10, 1928. Printed with permission of author and publisher.

Berlin's position is further rendered unique through the intimacy of its relation with internal interests other than those of a purely governmental character. Three-fourths of the German populace of Berlin was born outside the capital city in all parts of the Fatherland. It is not only the chief political city and the rendezvous of the spiritual and social power of the German Republic, but is also, before all else, the center of German domestic development and enterprise. No other city has so profoundly affected the German economic order with the expansion of its commerce and industry as has the great metropolis. Illustrations are not wanting. The development of closer relations between political and economic life in the period of the war and since, which gave rise to countless industrial and labor organizations of a permanent and enduring character, has more and more made the city the center point of the Republic. The process is centrifugal and centripetal; all movements relating to such domestic matters in the entire realm flow into Berlin, and from Berlin, flow back again into the realm as dynamic programs of action.

Berlin faces the problem of the rationalization of her administration. The unbearable increase in administrative organs which resulted from the requirements of the act of the Prussian *Landtag* of 1920, is entirely out of keeping with German traditions of local government. The clumsiness of administrative apparatus, and the hampering of the activities of the administration, as well as the elimination of superfluous agencies and the establishment of clear and unmistakable lines of authority and responsibility, will soon have to be considered. It is entirely probable that thorough reform will necessitate certain alterations in the law; it is certain that the future world-city must be a more closely organized, undivided, and highly centralized community.

TRANSPORTATION

Berlin requires a highly developed and efficient transportation system. With the construction of an adequate central railway terminal and the connection of northern and southern national trunk lines, the railway problem will be taken care of for the present. A much greater problem is that of administration, particularly as regards transportation within the city. Over one and one-half billion fares were collected last year by transportation services operating between the little cities of Berlin. The consolidation of the three city transportation enterprises—street railway, omnibus, elevated and subway—through uniform charges and agreement with affected communities, has resulted in an almost complete unification of Berlin's transportation administration. The unified charge with the allowance of transfer privileges between the various services, as well as with the state railway, have simplified, cheapened, and promoted the movement of traffic. The complete unification of such enterprises is pending at the present time. This unification doubtless would facilitate unified public financing, simplification of administrative organization, and a standardized transportation service. Moreover, Berlin's transportation must itself be made more efficient, more rapid, and less arduous.

Concomitantly with the development of the transportation system there has come an attempt to develop a general street program. Existing arterial highways must be maintained adequate to the traffic they are expected to carry, and where others are needed they must be constructed. Further, increased transportation de-

mands the avoidance of the congested commercial areas through the provision of by-pass highways, transverse, and encircling connections. At the same time the park program and the zoning scheme must be preserved and further developed. The existing parks must be fused into a unified general design, and the residence and industrio-commercial sections must remain separated.

PUBLIC UTILITIES

Certain problems also arise in connection with public utilities other than transportation services. Water, gas, and electricity have, in the years since the war, experienced a steady increase in consumption. The extraordinary growth of electricity consumption has necessitated continual replacements and capital outlays. Berlin must expend every year as much in replacements, repairs, and expansion as the value of the entire investment of Munich. Nevertheless, Berlin is behind other world cities in domestic electricity consumption. The amount of current supplied to residences in 1927 amounted to but 43 per cent of the total production, as against 94 per cent for Chicago. Berlin stands today, in this regard, where Chicago stood in 1918. If, however, progress continues in the same degree in the future as in the past, Berlin will, in five or six years, have overtaken other great metropolitan areas in this respect. The necessity for the development of domestic electricity consumption cannot, however, be overemphasized; our utilities must be used by the citizens if their highest value is to be realized.

The intimacy of articulation between different municipal works, it should be mentioned, is a problem pressing for solution. Whether, and how far, electric and gas works may, in the future, be operated and developed upon a unified technical and administrative basis is an unanswered question. The imposing fuel demands of the municipal electric works—a maximum of 1,750,000 tons—lend an entirely new aspect to the problem of coal distribution. It is evident that public and private provision for heating must be improved, and their administration reorganized. In this connection, it is apparent that certain important rearrangements in industrial zoning must be made in the near future. Existing smoke and soot nuisances must be eliminated through the provision of heat from distant heating works. Heat distribution from central agencies probably best might be included in the functions of the power plants, in order that heat and power production might be coordinated and administered under unified executive organization. At any rate, the problem is one which must be solved in the immediate future.

EDUCATION AND RECREATION

A sixth important problem arises in connection with the local educational system, especially as it relates to German commercial and industrial life. The German people have been forced, through the loss of the war and through unfavorable natural restrictions, to work more constantly and more efficiently than other peoples. Their educational system must be developed with this realization paramount. The total number of all students in the *volkschulen*, the middle and high schools, and in the *berufsschulen*, amounted in 1927 to 474,000. The expansion of the *volkschulen*, in order to develop the vocational thought of the great mass of young people and to make available a higher skill for the purposes of domestic life, is an immediate and pressing necessity.

The vocational and trades schools merit especial consideration. If Ger-

man domestic life is to be rehabilitated, these schools must develop skilled workers. In this connection also may be noted the development of Berlin's parks, playgrounds, and athletic fields. An attempt has been made to establish such recreational places in close proximity to congested districts, in order that peoples living in such districts may be encouraged to use them. The individual is the state's highest good; the physical welfare of the individual is not the least part of the concern of the state for its citizens. The realization of this fact has governed, and must continue to govern, the establishment and conduct of such municipal activities.

FOOD SUPPLY

A seventh important problem of the Berlin area is the regulation of the food supply of the populace, and the establishment of better machinery for such regulation. Berlin's food supply comes literally from all over Germany. Probably the most immediately pressing problem is that relating to horticulture. It is essential to the welfare of the people that greenstuffs and similar necessities be supplied from convenient sources. A considerable portion of the open area, both within and without the municipality, is not devoted to horticulture. The economic pressure, due to the rise of wages which results from the proximity of industrial and manufacturing establishments, ultimately must eliminate any save very intensive agriculture upon lands lying close to the city. Agriculture cannot pay city wages; horticulture can bear them. From reasons both of necessity and convenience and from sound economic procedure horticulture must be developed in these areas. The city has already, through the extension of municipal loans, granted much credit to horticulturists and aided in the development of the industry. This extension of credit is not enough, however, if the advantages gained thus far are to be made secure. Adequate provision to prevent overproduction and losses must be made; as yet such attempts have not been forthcoming.

NEW SCOPE OF ACTIVITIES

Finally, the problems of civic beauty and of individual betterment must be given thought. The new socio-political importance of Berlin has altered definitely the scope of municipal activities. In view of this fact it would seem that the city quite legitimately might direct its best attention in the future to the creation of opportunities for work and earning. Social life, art, and learning are, in considerable measure, dependent upon the existence of sufficient pecuniary resources. The concerns of local administration are also indirectly the concern of spiritual and social life.

The new Berlin, created by the decree of April 27, 1920, came into being at the time of the greatest need of the Fatherland. In severe struggle with the after-effects of the war, and the havoc of crumbling standards of currency, of disquietude, and of poverty, it has been compelled to loosen its organization. Its problems have been without precedent in the history of local government. Much has been accomplished in Berlin; much remains to be done.

The development of Berlin has been delayed through the communal disintegration of old Berlin, which caused endless friction and dissipating and profitless competition. It has been accelerated through the creation of new Berlin, through the unification of the powers of ninety-four communities, that not only has strengthened the chief city of the realm internally, but has increased its worth for Germany and for the world.

WHY I BELIEVE IN THE PATRONAGE SYSTEM[1]

BY W. RUPERT DAVIES
Vice-President and Editor, Kingston Whig-Standard, Kingston, Ontario

Many American party workers will agree with this Canadian editor, but few have the courage to express their viewpoint so courageously. The National Municipal Review *does not agree with Mr. Davies, but believes that his viewpoint will be of interest to our readers.* :: ::

I am a firm believer in what is known as the patronage system of making political appointments, and in saying this I think I can state without fear of successful contradiction, that I am in accord with about ninety-five per cent of the population of Canada.

Before I undertake to justify my position let me state clearly what I understand by this much-abused and much-represented system. And let me state further that I yield to no man in my love for my country, or in my desire to see its affairs well and economically administered.

The patronage system, as I understand it, and as I prepared to defend it, is the rewarding of party workers with political appointments by the government of the day. In other words, I firmly believe that when a Liberal government is in power, all vacant positions in the gift of that government, wherever possible, should be filled from the rank and file of the Liberal party. When a Conservative government is in power the opposite should be the case. Now, let me make myself very plain, so that there shall be no misunderstanding. You will notice that I qualified my statement, with the words "wherever possible." For the purposes of this discussion, I am not referring to highly technical positions where experts are needed, but simply to the plain, ordinary, garden variety of government job of which there are thousands available in this country every year, ranging all the way from letter carriers and lighthouse tenders to judgeships and senatorships.

[1] Read before the Convention of the Citizens' Research Institute of Canada, Montreal, October 17 and 18, 1929.

POLITICAL PARTIES NEED PATRONAGE

During my life I have seen a good deal of practical politics. I have taken an active interest in political campaigns since 1896, and during that time I have had much to do with political organizations of one kind and another. Over thirty years' experience has convinced me that political patronage is the foundation stone upon which strong governments are built and that without it our political organizations would collapse. Let me elucidate.

Everyone will admit, I am sure, that the best type of government for any country is a strong government—that is, a government of courageous, able men, with a sufficient majority behind it to enable it to put its policies into effect. Now everyone will agree that men are not elected to Parliament by the simple process of announcing that they are candidates. Hundreds of faithful and persevering workers have to be enlisted in the cause, and hard and efficient work has to be done. Voters' lists have to be carefully

checked over; newcomers have to be looked after and their names put on the lists; doubtful voters have to be canvassed; automobiles have to be secured; the polls have to be manned on election day and the vote has to be got out. All this involves a tremendous amount of hard work, yet if we are to elect candidates and secure strong governments, it has to be done. Now will anyone assume to tell me, that the services of these voluntary workers could be secured if they did not, to quote the words of a famous statesman now dead, have a very keen sense of favors to come? Everyone here who has any practical political experience will agree with me that if political candidates of high ideals espousing worthy causes had to depend upon the idealistic dreamers for election campaign work, they would stand little chance of election.

I have said something about the party worker. I hold him in the very highest esteem, for he takes a practical interest in the government of his country. And by the same token, if there is one type of individual whom I despise, it is the hypocritical humbug who, rubbing his hands, and wrapping himself about in a cloak of pharisaical self-righteousness, announces in an unctuous tone that he takes no interest in politics. The man who takes no interest in politics is not a very loyal citizen, for politics is the science of government. Yet my experience has been that these selfsame men, who profess to take no interest in politics, take a very real interest when they want something for themselves.

MUCH NONSENSE TALKED ABOUT PATRONAGE

There is more nonsense talked about political patronage than any other subject, and certain newspapers love to try to create in the minds of their readers the idea that political patronage is a vile thing to be referred to only as a canker or a festering sore. These newspapers have two pet phrases which they work overtime whenever it is necessary to impress the public. One is "hand in the pork barrel" and the other is "feeding at the trough."

Let us examine this whole question for a minute, I have explained just what I mean by patronage—the filling of government offices by political friends. We will suppose that a position is vacant in a customs office or a post office. A Liberal government happens to be in power. Two men are found to be eligible. One is a Liberal and one is a Conservative. Is there any reason in the wide world why the Liberal, who has worked and voted to help place the government in power and who is sympathetic with its ideals and policies, should be passed by, and the Conservative, who had done everything he could to defeat it, be appointed?

I am quite well aware that some distinguished gentlemen will say that all government positions should be taken out of politics and placed in the hands of the civil service commission. Let us talk facts and not theories. Let us deal with conditions as we find them and not as we might like to have them. The civil service commission probably has a place in the scheme of things at Ottawa, but as a strictly non-political body, it is not, in my opinion, a success. If it were possible to appoint a non-political commission—which I am afraid it is not—and if it were further possible to make sure that all the subordinates of the commission were non-political, and if it were still further possible for the commission to deal with unidentified numbers instead of names, so that no influence could ever be brought to bear upon anyone connected with it, then I would be willing

that the commission should do some of the preliminary work of sorting out the applicants. I would, however, always leave the final appointment to the government on the recommendation of the sitting member or defeated candidate, whichever happened to be favorable to the government. That to my mind is one of the functions of responsible government.

Why should a commission of political appointees in Ottawa decide all the Dominion Government appointments in this country? They are not, in my humble opinion endowed with any particular qualifications for such a position. Some of their appointments have been very poor ones, and yet one can hardly blame the commission. What do they know of the personality and character of men in Kingston, Winnipeg or Vancouver? For there is a great deal more enters into a man's fitness for a position than his ability to add, subtract, multiply and spell correctly. Some of the very finest men in the government service today are men who got their appointments solely on the recommendations of a responsible member of Parliament, who knew the man he was recommending.

CIVIL SERVICE METHODS UNFAIR

One of the strongest reasons why I am in favor of the patronage system is because of the unfairness of the present method. If there is a vacancy for a position as a letter carrier, or a customs house clerk, the applicants are supposed to deal wholly and solely with the civil service commission. As a matter of fact they usually pull every wire possible, and interview any and every body who they think may have the slight influence at Ottawa. Theoretically, however, they deal wholly and solely with the civil service commission and theoretically, too, the commission lets nothing else influence it in making the appointment than the qualifications of the applicants as presented to them by the candidates themselves.

But, if a senatorship is vacant or a judgeship, do the applicants have to pass any examination?[1] Not at all. Usually these juicy political plums fall to the ones who have the most influence politically. Peculiarly we never hear much criticism of these appointments, and yet usually they are straight examples of patronage for they always go to friends of the party in power. The same thing happens when we require a minister to Tokio or Washington. These are nice positions—positions of honor and distinction—and they quite rightly go to political friends. I have never had it satisfactorily explained to me just why, when one advocates that the ordinary party worker should receive some reward for his labor, without the interference of a civil service commission, there should be a lot of ridiculous talk about "pork barrels" and "feeding at public troughs," but when some active political lawyer receives a judgeship there should be editorial commendation. There seems to be a tendency to build up in this country what I once referred to as a $5,000 aristocracy. If a political worker is appointed to a position to which is attached a yearly salary of $5,000 or over, he is a great public servant, but if some hard ward worker gets a $2,000 job, he's feeding at the public trough.

There is more humbug and hypocrisy spoken and written about political patronage than any other subject I know of, and for some strange reason it all centres around Ottawa. Seldom if ever, here in Ontario, do we hear any criticism of the provincial government's appointments, and yet, they are practically all made on a straight patronage

[1] In Canada senators are appointed by the government in power.

basis. And the same thing happens in other provinces.

RETURN TO THE OLD SYSTEM

Let us look facts fairly and squarely in the face. For years appointments to the civil service commission were made by the government on the recommendation of government supporters. Under that system were appointed some of the ablest public servants that we have in the service today. Is there any good reason why we should not continue to make appointments in that same way today? Are we getting any better type of young men and women into the service today than we were twenty years ago? I do not think so.

Patronage is simply rewarding the workers, and surely the workers are entitled to some reward. They are the people who elect the government. If no efforts were put forth in election campaigns, to get the vote out, thousands of electors would not take the trouble to exercise their franchise. The party worker is usually a very fine type of citizen. He wants his country well-governed, and he believes that his party is best able to do the governing. Therefore, he works hard to elect it. Does it not seem fair, then, that if there is a position open which he can fill satisfactorily, he should get the appointment rather than someone who has done nothing for the party in power, and has probably tried to keep it out of power?

I have seen a good deal of patronage, and I am a firm believer in it. I am a firm believer in it because, as I said at the beginning, I think it is the fairest way of making appointments. I am also a firm believer in it because I am convinced that ninety-five per cent of the people favor that method.

There is no use kicking against the pricks. It was the immortal Gilbert, I think, who said:

> Every little boy and girl
> That's born into this world alive,
> Is either a little Liberal,
> Or else a little Conservative.

We therefore, have to deal with conditions as we find them. It would not make any difference if there were twenty civil service commissions, it would not stop applicants for positions from pulling every wire possible. Nor would it stop certain politicians from trying to make political appointments. I say, therefore, let us go right back to the patronage system of the old days, so far as Dominion appointments are concerned. We still have the patronage system in our provinces and it is fairly satisfactory. Let us go back to it in the Dominion and let us be honest with ourselves, and furthermore let us put the responsibility for recommendations to office where it belongs—on the shoulders of the representative of the government in the constituency—be he member of Parliament or defeated candidate.

HISTORY-MAKING AT CHICAGO

BY HOWARD P. JONES

Public Relations Secretary, National Municipal League

National Conference on Improving Government, November 12–14, fostered by the National Municipal League, holds successful meeting. County government reform one of the big problems attacked.

"I AM NOT a politician and my other habits air good," remarked Artemus Ward in his Fourth of July oration a bit more than half a century ago.

That this view of those who make public affairs their profession has not entirely vanished, a few remaining vaudeville actors and Will Rogers can testify. Nor will it disappear until the noisy blatherskites in the business are completely replaced by men who run the public services as they would modern manufacturing plants. Threering political circuses may afford comedy, but they can hardly be expected to inspire respect.

Manifestly, this replacement process is a slow and tedious one. As in the case of the leaven of yore, however, the ultimate fate of the lump seems well nigh inevitable. Certainly, this is the impression one could not help receiving from the successful National Conference on Improving Government which met at the Hotel Stevens, Chicago, November 12–14.

Since the organization meeting of the National Municipal League in Philadelphia in 1894, there has been no governmental conference promising more in the way of practical results. Members of the four coöperating organizations—the National Municipal League, Governmental Research Association, National Association of Civic Secretaries and Proportional Representation League—as well as the Chicago groups fostering the meeting, have reason to be highly gratified. These latter, incidentally, include the Association of Commerce, Bureau of Public Efficiency, Chicago Woman's Aid, Chicago Woman's Club, Citizens' Association, City Club, Civic Federation, Civic Safety Commission, Municipal Voters' League, Northwestern University, Union League Club, University of Chicago, and Woman's City Club.

AN UNPLOWED FIELD

Indeed, it is not going too far to say that history was made at this conference, and in a field that heretofore has been left practically unplowed by reformers—county government. True, the conference had at hand a keener blade with which to assist the process than existed a few years ago. The city manager plan of government seemed ideally adapted in principle to a change in county structure. The notion of a strong central executive as essential to the efficient functioning of a governmental administrative unit had taken thorough hold on close observers of governmental progress.

But here was no stopping at the simple expedient of saying, "Well, that's all there is to it—just apply the city manager plan to the county and there you are!" Instead, a committee headed by Prof. John A. Fairlie of the University of Illinois, chairman, with Prof. Paul W. Wager of the University of North Carolina as secretary, got down to business, drafting a model law

which state legislatures could follow in reorganizing the county government provisions of their constitutions or state statutes. The work of this committee is not yet complete, but sometime during the coming year such a model law will be available.

It was after the National Municipal League drew up its model city charter that the manager movement swept throughout the country until now 430 American cities are operating under this plan. Predictions are general that the county manager plan, officially launched at this 1929 conference, will assume as much importance in local government during the next ten years as the city manager plan has in the last decade.

DEBATE IS FEATURE

One of the features of the Chicago meeting, which should be mentioned before leaving the subject of county government, was the debate on the subject, "Is the Manager Plan Adaptable to Counties?" Prof. A. R. Hatton of Northwestern University took the affirmative and Prof. Kirk H. Porter of the University of Iowa, the negative. Discussion was led by Anton J. Cermak, president, Board of Commissioners of Cook County, Prof. Paul W. Wager of the University of North Carolina, and Richard S. Childs, president of the National Municipal League.

Professor Hatton put crisply what was obviously the sentiment of the majority of those at the meeting. "There seems to be no reason why the manager plan should not be just as effective in the case of the county as it has been in the case of the city," he said. "Approximately four hundred and thirty American cities are now operating under the city manager plan and the same principle, it seems to me, applies equally well to the county organizations. The difference is not strikingly great between the administrative needs of the city and the county.

"The principal argument of opponents to the manager plan for counties, after all, is that the county must be primarily the agency of the state government in the future. Opponents of the manager plan say that the answer to the problem of inefficiency in county government is not the selection of a strong executive for the county, but to bring the work of the county directly under the administrative control of the state.

STATE CONTROL DEMANDS MANAGER

"It is certainly true that there exists a need of greater administrative control by the state. Even if we grant this, however, it still remains true that this state administrative control would be far superior if the county were so organized that the state could fix responsibility upon one executive instead of having to deal with a variety of officials of varying importance.

"The county is not well organized and cannot be unless we have a central executive directing the administrative work. Even under state control, effective work can only take place when the various divisions of the county government coöperate. This can best be brought about through a central executive.

"We are thus left no choice. Either for separate administration of the work of the county, or for the administration of this work under state supervision, a county manager is desirable."

Professor Porter good-naturedly endeavored to laugh the city manager plan out of court. "I submit," he said, "that the advocates of the county manager scheme are hopelessly out-of-date. Instead of being reformers they are at least forty years behind the times.

"They are accustomed to liken the present county government to an antiquated worn-out automobile, and they would like to exchange it for a 1930 model. I will accept this analogy for illustrative purposes. They seek to make the old bus run by putting into it a fine, new, expensive carburetor! All very well as far as it goes. It will make the old car go a little better; but to no other purpose than to arouse false hopes—soon destined to collapse!

"BEHIND THE TIMES," LAUGHS PORTER

"I say your county manager plan is hopelessly behind the times, and I mean by that, that if it had been introduced forty years ago, local self-government *might* have been preserved, and it might still loom large in the minds and interest of the people. But the time has passed.

"The county manager scheme may be admirably adapted to local self-government. Perhaps that is why it is thought to work so well in cities. The cities do practice local self-government —although ordinarily we have associated that phrase with counties and with towns. Municipal functions are thought of, and treated, as if they composed one single great task; and with this thought in mind the city manager is hailed as the ideal agency for administration. But county functions never have been sufficiently interrelated to compose one unified task, and that is one reason why—when public interest begins to flag—the machinery rapidly breaks down.

"I have said county functions never *were* deeply interrelated. Let me add —they are becoming more definitely separated every year. Perhaps a revived interest in local self-government, stimulated by the advent of a manager, would delay this tendency; but it is doubtful. Unity is being achieved on the level of state administration."

WAGER EXPECTS EXPERIMENTS SOON

Professor Wager in his discussion pointed out that the fact that there have been few attempts to inaugurate the plan was no evidence of its impracticability. "It suggests rather constitutional obstructions, legislative indifference, rural conservatism, the worship of the long ballot as a symbol of democracy, and the general neglect of county government as a field of study until very recent years. The present widespread interest in county government gives promise of some real experiments in county management in the next few years.

"It is true that we have had no genuine demonstration of the county manager plan in operation and that what has worked well in the cities may not work so well in the counties. In some respects a county is not like a city. It is not a full municipal corporation. It is less unified than a city. It has fewer technical functions to perform. It bears a somewhat different relation to the state.

"These are admittedly important differences. But there are also important similarities. The administrative tasks are very much the same—the assessment of property, the collection of taxes and license fees, the accounting and custody of public funds, the construction of highways and other public works, care of dependents, policing, operation of charitable and correctional institutions, safeguarding public health, and other activities.

"Although the county differs from the city in legal status, it nevertheless has the essential powers of a corporation. It buys supplies, employs labor, enters into contracts, and may sue or be sued for a violation thereof. The board of county commissioners resembles a board of directors of a private corporation just as much as does a city

council, and it is just as logical to assume that one policy-determining body needs an executive agent or manager as the other. If the city borrowed the manager idea from the private corporation with great success, the proponents of the manager plan can be pardoned for transferring the idea to the county. The second gulf is not as wide as the first."

OPINION FAVORS MANAGER

A committee of the National Municipal League, of which Professor Wager is secretary, has just completed a survey of the need and prospect for county managers throughout the United States. In the questionnaire which this committee submitted to students and administrators of government in each state were these two questions: (1) Does the county need a stronger executive or chief administrator? and (2) Would a county manager meet the need? In answer to the first question the correspondents from thirty-one states answered "yes," those from nine states were divided, and those from six states answered "no." Four of the six states which answered in the negative were New England states where the county has only a nominal existence.

The next question, "Would a county manager meet the need?" was answered by seventy representatives from forty states. Twenty-six answered "yes" unqualifiedly; twenty-four answered "probably," "possibly," "perhaps," or "I think so," and six others answered "yes" with some qualification. There were only ten negative answers. Of these, five were definitely opposed to the manager and five were doubtful of the need or merit of such an officer. In brief, answers favorable to the manager were received from thirty-two of the forty states heard from. These answers seem to indicate a demand in many states that he be given a trial.

In answer to Dr. Porter's argument that there is more to be gained from increased state control than from the centralization of control in the hands of a manager, Dr. Wager agreed that the shifting of some functions from local to state control was desirable.

"It would be better," he said, "to have the sheriff and county prosecutor accountable to the state department of justice rather than to the manager. Neither should the manager have anything to do with school administration in its professional aspects.

"Even were greater efficiency to be secured through state administration it would not be wise, in my opinion, to dispense with local self-government. It provides the experience and discipline necessary to the maintenance of a democratic form of government in state and nation. We cannot afford to leave our rural population unattached to any vital political unit. Local self-government in the country districts has been disappointing; it has been wasteful and inefficient; it requires lots of nursing; but it must be preserved."

OTHER COMMITTEE WORK

Similar in spirit to the way in which the county government problem was tackled was the rest of the work of the conference. Other committee work included that of the National Committee on Municipal Reporting of which Colonel C. O. Sherrill of Cincinnati is chairman and Dr. Wylie Kilpatrick, secretary; the Committee on Teaching Municipal Government of which Dr. H. W. Dodds, editor of the NATIONAL MUNICIPAL REVIEW, is chairman and Joseph McGoldrick of Columbia University is secretary; and the Committee on Model Election System of which Prof. Charles E. Merriam of the University of Chicago is chairman and Joseph P. Harris of the

University of Wisconsin is secretary. A thoroughgoing report recommending widespread reforms of our present election system was drawn up by this latter committee and should be completed within a few months.

"Advances in Government During the Past Year" were outlined by Richard S. Childs, president of the National Municipal League, Dr. Luther Gulick, chairman of the Governmental Research Association, and Leo Tiefenthaler, president of the National Association of Civic Secretaries. Mr. Childs' address is published in another part of this issue.

RESEARCH HABIT GROWING

Dr. Gulick laid great stress on the progress made in adopting the habit of research in dealing with governmental policy and with governmental administration.

"As evidence I point to the unexampled number of governmental commissions and private research groups at work today with research staffs of trained and experienced investigators," he said. "To mention but a few of these, we have first of all President Hoover's Commission on Law Observance and Enforcement and his forthcoming Conference on Child Welfare, both of which are relying upon careful study of the situation by experts. During the year, in Ohio, Delaware, Missouri, California, and New Jersey, extensive surveys have been carried on for governors and legislatures by impartial professional staffs. In Wisconsin a new governor has virtually set up a research bureau within his executive office to deal with state administration.

"Faced with the problems of old-age dependency and the breakdown of public utility regulation, the state of New York has created two important commissions, both of which have selected professional research staffs, without regard to politics, to bring forward all available facts bearing upon the questions at issue. In New York definite research divisions are maintained in at least three of the important state departments, and a unique experiment is being made by the tax department which awards fellowships each year for research in tax problems to four graduate students nominated by the leading eastern universities.

"There is, of course, no need of referring to the increasing volume of governmental research projected or underwritten by the research bureaus, the great universities, the Social Science Research Council, the Spelman Fund, and the other socialized foundations of this country. The establishment at Harvard of a graduate professional school of city planning is a matter of note. The function of this school is not only to train men as professional city planners but also to influence those who are going to be architects, engineers, or civic leaders so that they may understand city planning and prove effective as citizen leaders in their own communities. The school will serve as a research and publication center in city and regional planning.

"Such investigations as the police survey which is now going on in Chicago and the study of purchasing procedure in the Borough of Queens, New York, indicate that even the most harassed political officials are coming to realize that there is no problem which cannot be solved better after the facts are known. With the year 1929, I think we can record the fact that we have, as a nation, adopted in conspicuous degree the habit of research. This is a milestone in our progress."

Dr. Gulick also called attention to the uniform crime report, "A System

and Guide for Police Reports," drawn up under the auspices of the International Association of Chiefs of Police, which he termed "the most important single piece of work for the advance of administration this past year."

REGIONAL GOVERNMENT DISCUSSED

Among the high points of the conference were the luncheons on Regional Consolidation, and Aviation and Municipal Progress, and the annual banquet. Prof. Charles E. Merriam, of the University of Chicago, again threw down the gauntlet of the large city to its "rural overlords," and pointed out that the tendency for the countryside areas to control the development of cities presents a grave menace to the intelligent solution of the problems which face these centers of population. Prof. Thomas H. Reed, of the University of Michigan, at the same session told of the application of principles of regional government to Pittsburgh and St. Louis, and pointed to this new type of administrative structure as the government of the future where local areas of control come into conflict.

"Progress of the city of the future will be determined by its provision for airport facilities as the progress of cities of the past has depended upon railways and concrete pavements," William B. Stout, president of the Stout Air Lines, told the conference at the luncheon on "Aviation and Municipal Progress." R. W. Ireland, general commercial manager of the National Air Transport Company, discussed many of the administrative problems which face officials in providing adequate aviation facilities.

At the annual banquet, former Governor Frank O. Lowden of Illinois paid high tribute to the work of the conference and emphasized that municipal government would still be in the doldrums were it not for such groups as comprised the meeting. Russell Wilson, former associate-editor of the *Cincinnati Times-Star* and now councilman-elect of Cincinnati, contrasted the Ohio city under the old régime and under the city manager plan, and predicted that the city manager form of government was the one to solve the many complicated administrative problems of the city of Chicago. Robert W. Hutchins, president of the University of Chicago, also spoke briefly.

GROUP SESSIONS SIGNIFICANT

Many significant papers were presented at the group sessions of the conference, which covered such topics as "The Relationship of Crime Surveys to the Administration of Criminal Justice," "Civic Education—Training the Youth of Today for the Problems of Tomorrow," "Mechanical Helps to Governmental Efficiency," "Measurement Standards in Government," "Molding the Mass Mind," "Equalizing the Tax Burden," "Calendar Simplification and Municipal Administration," and "Traffic Regulation." Men and women of outstanding reputation in their respective fields discussed current problems.

Among those who participated were: Alfred Bettman, Cincinnati; Rush C. Butler, president, Illinois Association for Criminal Justice; Miss Jane Addams, head resident of Hull House, Chicago; William J. Bogan, superintendent of Chicago public schools; J. L. Jacobs, adviser to commissioners of Cook County; F. R. Chailquist, chief accountant, county auditor's office, Hennepin County, Minneapolis; Clarence E. Ridley, secretary of the International City Managers' Association; Miss Julia Lathrop, former director of the United States Childrens' Bureau; S. J. Duncan-Clark, chief editorial writer of the *Chicago Evening*

Post; George O. Fairweather, chairman of the Joint Commission on Land Valuation; Geoffrey T. Bailey, incorporated accountant, London, England; Meredith N. Stiles; and Miller McClintock, director of the Albert Russel Erskine Bureau for Street Traffic Research, Harvard University.

CHILDS REËLECTED LEAGUE HEAD

Richard S. Childs was reëlected president of the National Municipal League at its annual business meeting.

Vice-presidents reëlected were as follows: Glenn Frank, Madison, Wis.; Carter Glass, Lynchburg, Va.; Charles Evans Hughes, New York; W. D. Lighthall, Montreal; Meyer Lissner, Los Angeles; A. Lawrence Lowell, Harvard University; Frank L. Polk, New York; Miss Belle Sherwin, Washington, D. C.; A. Leo Weil, Pittsburgh.

Mrs. Virgil Loeb, president of the Missouri League of Woman Voters, was elected to the Council of the League. Other council members whose terms expired this year, who were reëlected for three years, were: Benjamin F. Affleck, president of Portland Cement Co., Chicago; Alexander M. Bing, president, City Housing Corporation, New York City; Harold S. Buttenheim, editor, *American City Magazine,* New York City; Mayo Fesler, director, Cleveland Citizens' League; Raymond V. Ingersoll, arbitrator, Cloak and Suit Industry, New York City; Morris B. Lambie, executive secretary, League of Minnesota Municipalities; William P. Lovett, secretary, Detroit Citizens' League; Colonel C. O. Sherrill, city manager, Cincinnati; Colonel H. M. Waite, engineer in charge of construction, Union Railway Terminal, Cincinnati.

RESEARCH GROUP NAMES FREEMAN

Harry H. Freeman, director of the Buffalo Municipal Research Bureau, was elected president of the Governmental Research Association. Other officers chosen were: John B. Blandford, Jr., director of the Cincinnati Bureau of Governmental Research, vice-president; and Russell Forbes, secretary of the National Municipal League, secretary. Members of the Council are: Dr. Lent D. Upson, director of the Detroit Bureau of Governmental Research; Dr. Luther Gulick, director of the National Institute of Public Administration; William C. Beyer, director of the Philadelphia Bureau of Municipal Research; and Messrs. Freeman and Blandford.

Miss H. Marie Dermitt, director of the Alleghany County Civic League, was chosen president of the National Association of Civic Secretaries; C. A. Dykstra of the Los Angeles City Club, vice-president; Nat Spencer, director of the Kansas City Citizens' League, secretary; and Miss Louise Morel, director of the Women's City Club of Los Angeles, treasurer.

No summary of the Chicago Conference would be complete without calling attention to the increased attendance which certainly indicates a further awakening of interest in the subject of better government. The revival of this interest, which lapsed for a period of years immediately after the war, can be attributed partly to such meetings as this. Underlying the conference, of course, are the practical achievements of men in the field, demonstrating continually that there is no necessity for government, merely because it is democratic, to be wasteful and inefficient.

To go back to our friend, Artemus, it is this putting into practical effect what once was little more than a Utopian concept—the notion that a democracy could be administered in a businesslike manner—that ultimately

may lead to the confusion of him and his descendants. Fortunately, however, even if we omit prohibition and mothers-in-law, there will probably be sufficient human material left to keep the business of buffoonery booming.

MUNICIPAL GOVERNMENT IN SOVIET RUSSIA[1]

II. SINCE THE REVOLUTION

BY BERTRAM W. MAXWELL
Washburn College

Home rule and the short ballot appear to American observers to be necessary reforms in Russian municipal government. :: :: ::

THE Municipal Decree of 1925, which created the present structure of soviet city government, designates the city soviet as the governing body of cities. Like the other soviets such as those of the county and province, the city soviet is based on Lenin's teachings in regard to control of governmental agencies, namely, "centralized supervision and decentralized activity." The activity, however, is strictly regulated. In common with the city councils of Western Europe, the city soviet is a subordinate organ, but subject to far more supervision by superior authorities.

THE SIZE OF THE CITY SOVIET

The size of the city soviet depends upon the population of the community. In comparison with city councils of Western Europe and the United States, the city soviets are of enormous proportions. Some of the larger cities in the Soviet Union have urban soviets of over 1,000 members. The ratio of representation is so arranged as to draw into the local soviets of the smaller urban centers a large part of the population. Thus municipalities of one thousand inhabitants elect one deputy for every fifteen voters; towns of one to three thousand, one deputy for every twenty voters. In the larger cities of fifty to one hundred thousand, one deputy represents one hundred and fifty voters; in cities of over one hundred thousand, one deputy represents two hundred voters.[2] Every conceivable economic and social group, provided it does not belong to the disfranchised element, is given representation in the city soviet. All men and women of the "toiling" classes who are citizens of the Soviet Union[3] are entitled to vote. This also applies to the former bourgeois elements who are now engaged in "socially useful labor" or are soviet employees. In fact, since the failure of the election in 1924, the suffrage has been widened to such an extent as to exclude only an insignificant number of the adult population. The classes which are still denied the vote are private traders, merchants, middlemen (nepmen), clergymen of all denomina-

[1] Whereas this study concerns itself primarily with the cities of Russia proper, practically the same may be said of municipal government in the rest of the Soviet Union.

[2] Moscow and Leningrad are only permitted one deputy for every 400 voters.

[3] This also applies to permanently residing foreigners of the same class.

The Odessa Municipal Theatre

tions, former agents of the imperial police, former high governmental officials, and officers of the white armies.[1] In contrast to the usages in other countries, the soviet election system is organized on the principle of vocational groups and not in territorial divisions. Shops, factories, institutions, and army organizations serve as units for electoral purposes. Smaller groups of the same category are combined to form a constituency. Only in the case of unorganized elements, such as housewives, independent artisans, etc., is the territorial scheme used; but frequently these are joined with some organized groups of voters.[2]

Conduct of Elections

Elections are conducted by an electoral commission of seven members appointed by the city soviet;[3] two represent the city soviet, four the professional unions, the red army, the Komsomol (Communist Union of Youth), and the local congress of delegates of women workers, respectively, and a chairman,

[1] Some of these elements may under certain conditions be enfranchised by petitioning the appropriate central executive committee.

Kulakov, G. U., *Konstituciya S. S. S. R.* v. *Schemach*, pp. 73–80.

Bolshevik writers are indignant as to accusations abroad that only a small part of the adult population is permitted to vote. The figures of the 1926 municipal elections show that in 360 urban communes in R. S. F. S. R. only 4.8 per cent of the population were denied the vote. Whereas in 1923 about 92 per cent of the people of over 18 years of age were allowed to exercise the franchise, in 1926 practically 95 per cent of the adult population took part in the elections.

Chugunov, S. I., *Gorodskiye Sovety*, pp. 34–35.

[2] By a law passed in 1928 cities of over one hundred thousand inhabitants are permitted to organize ward soviets. Deputies may be members of both ward and city soviets.

[3] The commission may appoint a sub-commission to make out the lists of the non-organized elements of the community in the various parts of the city.

who must be confirmed by the executive committee of the next higher soviet. The voting takes place annually in election meetings called by the electoral commission. Notice must be given to the voters at least five days before the election. Since 1926 the electoral commission has been forbidden by law to sponsor or propose candidates. Candidates are usually suggested by the Communist group in the electoral meetings and also by the professional unions. Individual voters may announce their candidacy by coming forward in the electoral meetings and presenting themselves for that purpose.[1] The elections are open, and preferences are shown by acclamation or raising of hands.[2] Within seven days after election a protest may be entered in regard to its regularity. The local electoral commission in that case must forward the protest with explanations to the electoral commission of the next higher soviet (county, province). The latter may either confirm the election or order a new election, which is conducted by a newly appointed electoral commission. Members of the city soviets may be recalled by their respective constituencies in which event a by-election is arranged.

DUTIES AND PRIVILEGES OF CITY SOVIET MEMBERS

The various instructions governing the conduct of soviet members repeatedly emphasize the seriousness of the work of the deputies. They are warned that all deputies are obligated to take an active interest in the general work of the urban soviet, its committees and commissions. Not only must they attend to their official duties, but it is urged upon them to interest themselves in the various civic organizations. It is impressed upon them that as deputies they are in duty bound to attend all meetings of the municipal assembly, plenary sessions as well as sittings of committees and commissions of which they are members, and carry out faithfully all their instructions. In no case must they absent themselves from such meetings without previously having given notice to presiding officers. They must familiarize themselves with details of the work assigned to them to such an extent as to be able to make helpful suggestions for the improvement of its execution. Above all, they must keep in close contact with their constituencies and report to them on the activities of the city soviet and its committees no less frequently than every three months, and, furthermore, take part, if possible, in all meetings and discussions of their constituencies and other organized and unorganized groups of working men and women.

In turn the members of the local soviet may, on the request of the city soviet or its presidium, be excused from their usual work in shops or institutions for the time necessary to carry on their duties as deputies, without the loss of the wage they would have earned during that time. Deputies who are not employed as wage earners (such as housewives and independent artisans) are to be reimbursed for the time spent in exercising their official duties, at the rate decided on by the presidium of the soviet.

Deputies, upon show of credentials, are to have free access to all municipal institutions, undertakings, and officials. They are entitled to demand in-

[1] In recent years regular electoral campaigns have been conducted, and candidates recommended by means of advertisements in the press and the distribution of campaign literature. It is interesting to note that the non-party elements are largely represented in city soviets and frequently form a majority, although the leadership is still with the communists.

[2] An unusual phase of soviet elections is that alternates are also elected.

formation and explanations, except that in cases when information is of a confidential nature the request must come from the presidium of the soviet.[1]

MEETINGS OF THE CITY SOVIET

The first plenary meeting of the newly elected urban soviet is called by the electoral commission and presided over by the president of the previous soviet. At this meeting a new president, presidium, and credentials committee are elected. The report of the electoral commission is also heard at this time. Thereafter the city soviet meets at least once a month. Special sessions may be called by the presidium or on the request of one-third of the members. A three-day notice must be given to the deputies, indicating the exact time and place of meeting.[2] Private citizens are allowed to attend the meetings, but only members may vote.

Since in the larger cities the size of the city soviet precludes debate or discussion, the plenary session merely passes on reports and proposals of the presidium and committees. The plenary session, however, must pass on the municipal budget, loans, accounts, the number of committees, election of delegates for congresses of soviets, and plans of work for the plenary session and committees. One-half of the membership constitutes a quorum for all business.[3]

THE POWERS OF THE CITY SOVIET

The city soviet under present legal provisions exercises a fusion of legislative, executive, and administrative functions. Although its powers are nominally extensive, it is not by any manner of means autonomous. There is a rigid supervision of all its activities and nothing can be undertaken unless expressly permitted by higher soviets or their executive committees. While the city soviet is authorized to issue regulations, they must be based on provisions of higher agencies. Before issuing an ordinance the local soviet must ascertain whether or not it would conflict with enactments passed for that purpose from above. In all cases of doubt, higher soviets must be consulted. A provision of a higher soviet on a given subject automatically voids the regulation of the lower on the same subject. Within these limitations the city soviet may pass regulations for the purpose of carrying out administrative tasks delegated to it by higher soviet authorities and for the maintenance of "revolutionary" law and order in the territory under its jurisdiction.

In the field of general administration the city soviet is authorized to appoint electoral commissions, to direct the activity of ward soviets, to transfer to religious organizations buildings and properties necessary to their ritualistic usages, to supervise the activities of their religious groups, and to make sure that the law in regard to separation of church and state is being strictly observed. It further takes measures for the prevention of disasters such as floods, fires, etc., and renders assistance to the victims of such occurences, forwards complaints by citizens against the rulings of city organs and city employees to appropriate authorities, and in some instances may institute hearings on the same. The city soviet directs the suppression of crime,[4] keeps records of vital statistics,

[1] *Polozheniye o Gorodskich Sovetach* (1925), Chapter 6.

[2] City soviets frequently meet at factories and shops for the convenience of members and private citizens.

[3] *Polozheniye o Gorodskich Sovetach* (1925), Chapter 4.

[4] The actual carrying out of measures is left to the militia (police) and G. P. U. (State Political Administration).

is the custodian of municipal funds, recalls municipal judges and prosecutors,[1] and renders legal aid to the toiling population.

The financial and taxing jurisdiction of the city soviet extends to the making of estimates and planning, confirming, and administering the budget. It supervises the collection of taxes and assessments levied by the state and sees to it that the funds reach the proper authorities. For the needs of the community the city soviet is permitted to levy and to collect municipal taxes, surtaxes, and assessments as authorized by law, and to petition higher authorities for subsidies and additional revenue. It may engage in the organization of credit and savings institutions, negotiate loans with state, coöperative, and private banks, and with persons in the Soviet Union or abroad, and issue bonds and certificates of indebtedness.

In the field of economic-commercial enterprise the city soviet is authorized to manage existing enterprises and organize new undertakings (it may also transfer its establishments to lessees), and in general encourage the development of industry and trade by assisting all coöperative organizations. In addition the city soviet may organize and operate passenger and freight transportation, and may manage power houses, water works, disposal plants, and other public services; it may build communal dwelling places and distribute living space in accordance with provisions of the law.

The city soviet is charged with protection of labor, for which purpose it may compel private and public enterprises to observe the laws in regard to payment of wages and fulfillment of collective and individual contracts, and relieve unemployment by establishing, in agreement with labor organizations, employment agencies, public works, and eating places. It sees to the installation by various industries of safety devices and technical improvements for the betterment of labor conditions. It also enforces the law in regard to social insurance.

In matters of public health the jurisdiction of the city soviet covers a wide and varied field of activity. It establishes and operates clinics and prophylactic stations, and organizes campaigns for the eradication of social and vocational diseases. To that end it is enjoined to coöperate with health institutions established by higher soviets. It also provides recreation grounds for the encouragement of sports, and in general supports any movement which would serve for physical betterment of the community. The city soviet carries on sanitary inspection of dwelling places, laundries, court yards, basements, streets, and other public places. For purposes of general welfare it may regulate the illumination of stairs, and house numbers, order repair or demolition of buildings or parts thereof, and removal of snow from roofs. It is also responsible for the conditions of sidewalks, parks, playgrounds, water mains and sewers, cisterns and wells, and issues traffic regulation for tramways and buses. The authority of the city soviet extends also to the regulation of amusement places, moving pictures, restaurants, clubs, tea rooms, saloons, and business hours of shops and stores. It distributes space at markets, fairs, and other places designated for trading. The city soviet, among other tasks, is also charged with the rendering of assistance to needy families of the red guards who have been killed in battle or in line of duty; it passes regulations for the protection of motherhood and infancy, and organizes institutions for care of the aged, the disabled, and homeless children.

[1] This provision applies only to cities which are seats of governmental divisions.

The city soviet is instructed to endeavor to raise the cultural and educational level of the community, and to that end it may organize and maintain general and special educational institutions, clubs, reading rooms, libraries, theatres, and conduct lecture courses on political and general cultural subjects. It passes ordinances for the protection of historical landmarks, monuments, antiquities, and objects of art.[1]

The city soviet, if called upon, must provide quarters for troops and supply them with communal services in accordance with legal provisions. The law authorizes the city soviet to punish violation of its regulations by a fine of not more than 100 rubles or by a sentence to forced labor for not over one month.[2]

EXECUTIVE AND ADMINISTRATIVE ORGANS

The Constitution of 1918 provided that for purposes of actual administration the city soviet was to elect an executive committee which was solely responsible to the city soviet of deputies, but during the civil war and famine local self-government practically disappeared and was not revived until 1922[3] when a Municipal Decree was passed. Under this legislation the independent executive and administrative organs of the city soviet were abolished and the machinery of the executive committees of the county and provincial soviets was substituted to serve the needs of the municipalities. Furthermore, the presidia of the higher soviets were at the same time considered the executive and the administrative organs of city soviets.[4] This paralyzing legislation had a discouraging effect on city activity which the central agencies were anxious to revive, so after three years of fruitless effort on the part of the central authorities to overcome the dormant condition of the cities, a new decree was passed in 1925, under which the actual conduct of city administration was delegated to a president and presidium of eleven members, elected by the city soviet out of its own membership. The presidium serves as a collegial city executive, and constitutes between sessions of the urban soviet the superior organ of the municipality. It executes all ordinances in the name of the city soviet.[5] This does not mean that cities have been freed from administrative tutelage of the higher soviets, for the law authorizes the city to organize only one municipal department, and that is a department for direct management of communal property.[6] For the administration of all technical tasks, however, the executive committee of the next higher soviet designates certain sections of its departments, and details staffs of technical workers for the municipal activities. To be sure, these sub-divisions of departments of the executive committee of the higher soviet singled out for this purpose are to be separated entirely from the rest of the departments, with separate organization, accounting, and records; they are

[1] The city soviet must also take care of the cultural needs of national minorities within its territory.

[2] *Polozheniye o Gorodskich Sovetach* (1925), Chapter 3.

[3] See the writer's article on *Municipal Government in Soviet Russia*, in the National Municipal Review for December, 1929.

[4] This provision was applicable only to municipalities which constituted seats of governmental divisions, but this number practically included most cities and towns of any importance. *Polozheniye o Sovetach*, etc. (1922), Sections 8–9.

[5] In practice a group of three members of the presidium, variously known as the bureau of the presidium, the working trio, etc., represents the city in all its official business; this smaller collegial executive is generally composed of the president, his deputy, and secretary.

[6] The vice president of the city soviet is frequently the director of this department.

to have a purely municipal budgetary account in no way connected with the higher soviet. In order to modify this rather cumbersome and complicated arrangement, the law provides that the city soviet, in agreement with the executive committee of the next higher soviet, may appoint directors to take charge of the subdivisions of departments assigned to city work.[1]

COMMITTEES AND COMMISSIONS

The Decree of 1925 provides for the appointment by the city soviet of five permanent committees, namely: communal economy, financial-budgetary business, education, public health, and coöperative trade. Other committees may be appointed by local soviets in accordance with their needs. In most city soviets there are ten or more additional committees and they are known as administrative, cultural, sanitary, judicial, trade, etc. Deputies may select the committee they would prefer to join, but under some conditions may be appointed to committees not of their choice. Every deputy, however, must be a member of at least one committee and, theoretically, in the line of work in which he is mostly interested or adapted by training and experience. In addition to deputies, private citizens, such as representatives of professional unions, shop committees, and other organizations, may be drawn into committee work. The technical director of that department of city work which comes under jurisdiction of a particular committee must always be included in its membership. Experts and technicians may be invited to single sessions and may have a consulting voice in the deliberations and discussions. This is an indication that the expert and technician is being recognized to some extent in city administration of the Soviet Union.

All committees elect bureaus of at least three members, with a chairman, deputy chairman, and secretary. The bureaus supervise and guide in detail the activity of the committees. The work of the committees in general consists in preparing and examining projects to be reported to the presidium or city soviet. They may also inspect public institutions and enterprises and report on their condition to appropriate authorities. Committees may appoint permanent commissions (sub-committees) to study in more detail particular departments and administrative branches within the jurisdiction of a given committee. They may also appoint temporary commissions for the purpose of preparing a particular project.[2]

Only a few years have elapsed since Soviet Russia has emerged from civil war and general chaos. The present system of municipal government is still too much under the influence of militant bolshevism motivated by fear of a counter-revolution. The cities as yet have not been permitted to develop adequate administrative machinery.

[1] *Polozheniye o Gorodskich Sovetach* (1925), Section 19.

Some Bolshevik writers on municipal government are dissatisfied with this linking of city management with county and provincial machinery. They urge more freedom in city affairs and lessening of cumbersome supervision by higher soviets. See Chugunov, S. I., *Gorodskiye Sovety*, p. 89; Elistratov, A. I., *Administrativnoe Pravo*, p. 92. Conversely, others justify it on the grounds that the creation of an independent city executive committee would create misunderstandings between it and the higher executive committee located in the same territory. The obvious reason for this arrangement, however, may be found in the reluctance of the Soviet central authorities to permit too much local independence, especially since the suffrage has been widened to an extent as to permit non-party majorities in city soviets.

[2] *Polozheniye o Gorodskich Sovetach* (1925), Chapter 5, Sections 45–61.

Too much stress is laid upon the idea that the city soviets are merely the "cells" of the soviet state apparatus, that is, organs of proletarian dictatorship. But already even among the faithful communists doubts are arising as to the advisability of linking city business with the complexities of state policies. There is a growing demand for more city independence, as far as purely local affairs are concerned, a quiet, yet persistent opposition to excessive meddling and supervision from above. What form the city organs will assume in the future, if state sovietism survives, only time can tell.

FEELING THE CITY'S PURSE

BY HENRY L. SHEPHERD, JR.

Is it possible to know when a city's expenditures exceed the ability of its taxpayers to support them without injuring the prosperity and welfare of the community? :: :: :: :: :: :: :: ::

The Joneses want to buy a new car. But can they afford it? The answer is easy to find, as Jones knows his income and, if he has a careful wife, has kept fairly accurate check of living expenses. A simple balancing shows a margin of surplus, which may be large enough to make the payments on a car. But suppose it is not.

Then Jones is faced with two alternatives: forget about the car, or increase the margin, the surplus. To do the latter he has either to curtail living expenses or earn more money, or both. The former would seem difficult, though most American familes desiring to own a car do it unhesitatingly, but the latter is in most cases an insuperable obstacle, since Jones is, like the majority of Americans, a salaried man or a wage earner. Salary increases seldom are gotten for the asking and individual wage increases are rarer still. Added work, if available, would so decrease Jones' leisure that he might not consider the sacrifice worth while. One other recourse remains—Mrs. Jones can go to work.

Just as there are Joneses who want cars, there are cities that desire auditoriums, terminals, park systems, utilities, but can the question of whether to make the outlays at some particular time be answered in the same manner as Jones answers his problem? In an attempt to suggest a means of providing municipalities with a solution of their difficulties in this channel the writer has considered Trenton, a New Jersey industrial city of about 135,000 population that wants to build a port on the Delaware River, a $700,000 project, the United States to match this amount with a million and three-quarters. Taxpayers of Trenton, already far from philosophical about the tax rate, are not so sure about allowing their burden to be increased. Is the problem of gauging the city's pocketbook as easy a matter as that of the Jones family? How can the administrators or a body of taxpayers determine what their city can afford? Is there some kind of sphygmograph that can record the municipal pulse?

In such a study, we have one advantage over Jones, but he has a more tremendous one over us. In the first

place, we can, by recourse to the United States Financial Statistics of Cities, find the expenditures of the government to the penny. We are stumped, however, at the point where Jones has his least trouble—what is the capacity of the source from which the money for the outlay is to come?

Governments are in the habit of taxing the incomes of their resident persons, natural and artificial, to an extent measured by required expenditures, just the opposite of Jones' procedure. The city fathers usually rely on howls by the taxpayers to let them know when they are endangering the life of the layer of golden eggs, though some improve on this primitive method by making comparisons with what other cities are doing, another doubtful procedure at best.

Administrators, in justifying their method of looking first to public expenditures, then to revenue, point to the rule of budgetary administration which first calls for a survey and estimate of needs, then provision of the ways and means of supplying the funds. Surely, the practical limits of public expenditure are set by taxable capacity.

Taxable capacity. What does the term mean? It seems hardly more than a phrase, an abstract, theoretical phrase, full of conditions, qualifications and limitations. As Sir Josiah Stamp says, the limits of tax capacity are flexible, depending on the use to which the money is to be put, the spirit and psychology of the people taxed, the way in which the money is raised, and the distribution of wealth.

Certainly this is a maze through which no city father can guide himself. If only there were some device to gauge and register the point in taxation beyond which it would be inadvisable to go, as a barometer warns of a gathering storm. But that is in the realm of magic.

A BAROMETER OF TAX CAPACITY NEEDED

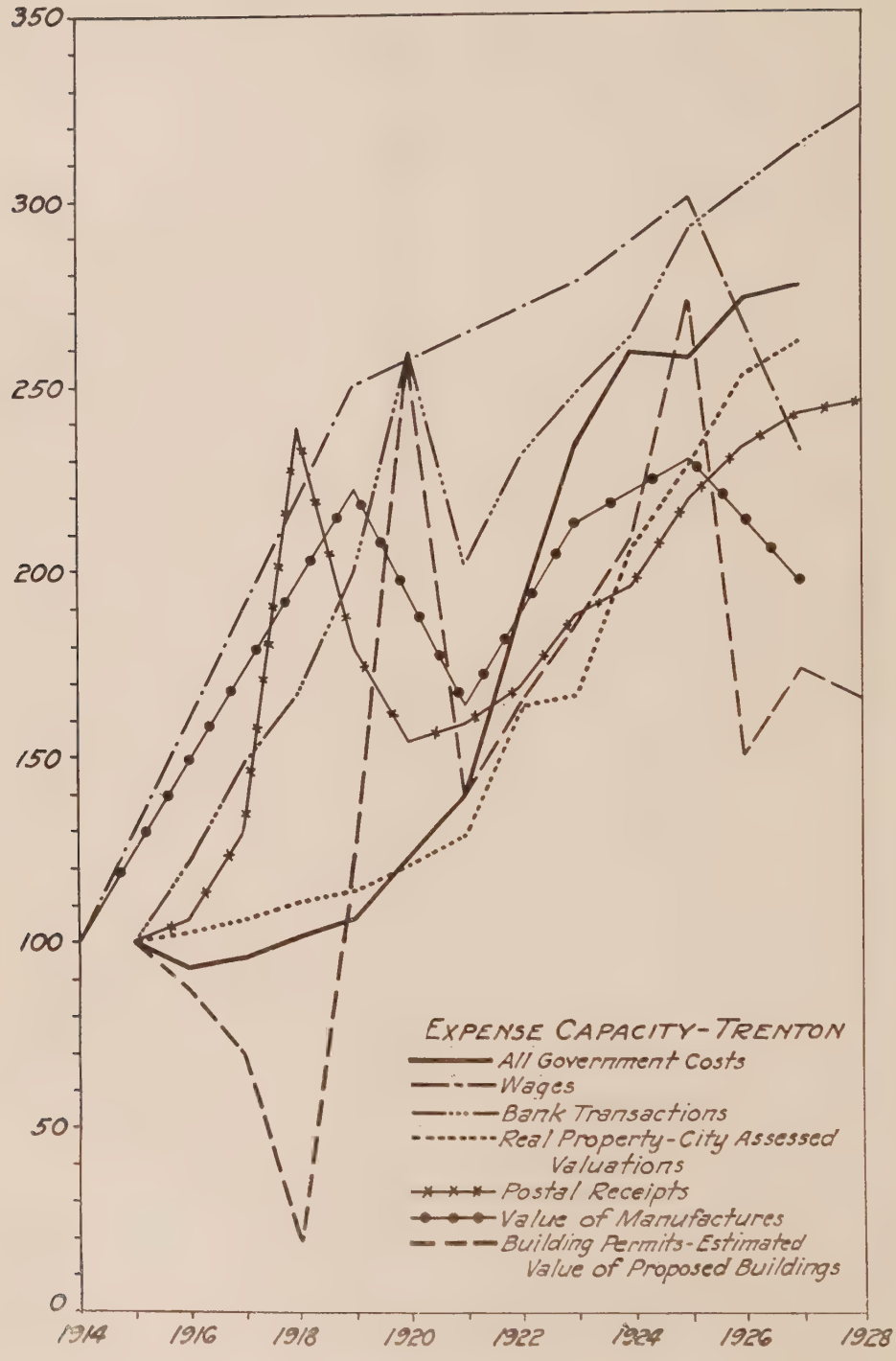
It is easy to see what cannot be done. But should the problem of what a city can afford be left to rest in limbo? Is there any method of informing the city administrator when there is danger ahead in increased expenditures?

We all know that costs of government have increased in all fields. About one-fourth of municipal expenditures are for what are known as primary functions, *i.e.*, protection of life and property, maintenance of law and order. Three-fourths are expenses under the head of secondary functions, which include the long list of social projects. The ratio of secondary to primary has increased greatly in the last decade, and it is safe to predict that activities which once were considered as "optional" are now or will in large part be looked on soon as necessities of an advanced state.

If one of Jones' alternatives is applied to the city seeking a greater margin of revenue for some pet project, economy in the costs of government would be demanded. However, economical management of all city affairs is to be insisted upon at all times, no matter what the immediate motive.

Very well, but Trenton, wanting this new port, might ask for retrenchment. Where will that lead the municipality? If curtailment of expenses in the field of primary functions is attempted, a relatively small field at the outside, protests will be heard at once. Less police protection will mean jeopardizing the citizenry, less fire protection will be reflected in increased insurance rates. Paring down the administrative force might result in inefficiency and could at best result in a small saving.

Turning to the field in which 75 per cent of the city's revenue goes,


350
300
250
200
150
100
50
0
1914
1916
1918
1920
1922
1924
1926
1928
EXPENSE CAPACITY-TRENTON
All Government Costs
Wages
Bank Transactions
Real Property-City Assessed Valuations
Postal Receipts
Value of Manufactures
Building Permits-Estimated Value of Proposed Buildings

what can be done? Port building is in itself an optional function, so it becomes a question of balancing the benefits to be realized from a river improvement, an economic project, against those from the many social projects. To make the port possible shall that park system or those new schools or the much-needed clinics go by the boards? Even if the port in the future might prove to be a productive expenditure (a matter that on the face of it seems fraught with grave doubts, but should at all events bear a careful investigation) it is safe to say that there are many social needs which under present standards have ceased to be optional in the generic meaning of the term, and have come to be urgent.

So the city and Jones are in the same boat. If they are going to have their port and car, respectively, they must certainly increase their incomes, and by income of the city is meant its revenue. Jones can take additional work or allow his wife to seek employment. The city can raise its tax rate, or possibly it can find new sources of revenue, though it is scarcely conceivable that such sources have been lying unexploited in an amount sufficient to launch a project of much magnitude. The most that can be hoped for is a combination of the two schemes.

CAN THE COMMUNITY STAND THE EXPENDITURE?

But we return to the question propounded in the beginning, namely, is it advisable that the community undertake the added burden? In the case of Trenton, as the accompanying chart shows, or will with some explanation, the city's industrial and commercial growth in comparison with her increase in municipal expenditures has been such as to merit extreme caution in embarking on its proposed river improvement.

Now, let us look into the method of arriving at this position.

First and last, we must show a relation between the breed and capability of the goose and the size of the egg she is expected to lay, namely, the total income which is to be taxed and the city's expenditures. Increases in secondary expenditures cannot ignore their relation to the increase or decrease of the incomes to be taxed. When we see that secondary and "optional" outlays have increased greatly in American municipalities we must see also that so have the incomes of their citizens.

Let us say, then, that a city's total expenditure should bear a relation to its prosperity. Then, how are we to measure the prosperity of cities? For statistical purposes, it is not such a difficult matter to arrive at the total of private incomes for state calculations, but in the cities we face a different problem — no figures are available on incomes of taxpayers by cities. What, then, shall be used as criteria of a municipality's prosperity?

The writer suggests six: (a) city assessed valuation of real property, (b) bank transactions, (c) postal receipts, (d) value of manufactured products, (e) estimated value of proposed buildings for which permits have been issued, and (f) wages. These are not taken because they are the best, but because they are the only ones available. All but the second and fifth are from the federal censuses.

EXPLANATION OF CHART

Before going on to a discussion of these, the justification of their use, and the conclusions that may be drawn from them, it is necessary to account for the fact that the accompanying chart shows trends in all these factors, along with governmental costs, all plotted on the same scale by the use of

index numbers. We are interested in relative values and trends that we hope will guide us to a conclusion. Index numbers fill the bill.

In this study trends have been inspected from a pre-war year to the present, or rather, as near to the present as statistical compilations will permit. For all factors except wages and value of products of manufacture, 1915 was taken as the starting year, since the desired records were uniformly available from that time only. Figures for each factor of 1915 become 100, then by simple proportion the numbers for each successive year were arrived at in their relation to the 100 of 1915. Since the census of manufactures was issued for 1914 and not again until 1919, of course the index numbers for wages and manufactured products had to be put at 100 as of 1914.

Are there not others than the six criteria named? How about car loadings? Possibly an acceptable index of prosperity, but unavailable unless the city boasts an unusually busy chamber of commerce. Then there are automobile registrations. Here, too, there were no records kept by the city of Trenton; though, even if there were, several elements would muddy the waters, such as the great number of transfers, transients, etc. Department stores could yield some interesting, and perhaps conclusive, testimony from yearly sales, but such information is difficult to obtain. Wage earners used to be thought of as a reliable criterion, but the increased number of industries is often balanced by technological advances, so that the number of employees may remain almost stable in a growing industrial city. At least, that is the case in Trenton, where the number of workers has increased by only 137 in 14 years, comparing the figures of 1914 and 1927. If the federal government compiled statistics showing reported personal incomes by cities, it might be a great help, though the changes in exemptions would allow an extremely variable factor to enter the picture. The fact remains that the federal government has not done this.

Dismissing from consideration what we cannot get, let us see whether what we have is worth while. Obviously, assessed value of real property is a criterion. Barring a fluctuating rate of assessment, which can move only within narrow limits and usually tends to seek a level and stay there, increased tax-paying power for local purposes bears an almost direct relation to increased property value. In limiting the figures to real property instead of using the total ratables the writer feels justified in view of the inability of the general property tax to reach intangible property and the apparent unwillingness of assessors to bother much about personal valuations.

As for bank transactions, it must be remembered, of course, that a great increase in the use of credit instruments took place just about the war period, though that element can be discounted, if after a certain point bank transactions increase along with the other indicators. Transactions of banks are used instead of clearings because of their greater reliability as an index of prosperity. The former figures show business done by all banks, irrespective of relations with each other, while clearings show the exchange of checks between banks, so that a merger of two or three banks (several of which have taken place in Trenton during the period considered) would throw such a calculation out of line by decreasing the quantity of interchange.

Postal receipts appear to be a fair index, as they reflect many things, the psychology of the people, the rush or

depression of business, the activity of the city.

Value of manufactured products, while not directly a measure of private income, is certainly a criterion of an industrial city's prosperity. It will be said immediately that the decreased buying power of the dollar will falsely color any such index as this. However, in measuring all these criteria in dollars, does not the fate of the dollar go hand in hand with each of them? A factor common to all is cancelled out. The dollar that can buy only three-fourths as much now as it could in 1915 is used alike for buying pottery, bread, property, building materials, labor, and city government.

Estimated value of buildings for which permits are issued is the most sensitive of all the factors employed, and so might prove to be the despair of such a study as this, but with allowances it can do its bit in the synthesis.

The last of the criteria is that of wages. As intimated, this can be a fairly reliable index in itself, as the number of wage earners has remained nearly constant. In a commercial city, where technological advances do not affect man power in the same degree as in industrial centers, it would be wise to establish a correlation of wages and wage earners. It is patent that the real wages are much greater now than before the war, but at the same time, living standards are elevated, and likewise standards of government service have climbed to a new level—more is demanded of the government today than ever before.

So we have six criteria which we are to balance against costs of government, a figure, by the way, which includes operation, maintenance, interests and outlays. It might be interesting to correlate all these six into one grand index, though that would be stretching the point to its breaking. The efficiency of each factor individually is subject to challenge; were they consolidated there could be no basis for "weighting" them.

WHAT THE CHART SHOWS

Now let us see what the chart shows.

Wages took a tremendous leap during the war, and in 1923 were seeking new levels, the peak of which was reached in 1925. But in 1927 the income from wages was much lower than at the last preceding census, due, not so much to decreases in wages, but to unemployment. So far as the individual worker is concerned, wages usually drop in the wake of falling prices. Prices are falling, so the best that workers can hope for is to maintain the present level, if past experience is indicative. It will be observed how very wide apart the lines of governmental costs and wages were in 1919 and how chummy they are in 1927. Governmental expenditures, when balanced against Trenton's wages line, point to caution.

Bank transactions keep zooming along. Eliminating the peak reached in 1920, a line could be drawn from 1919 to 1921, thus connecting a continuous, straight line of advance from 1915 to 1928. True, the climb is not so steep in the last three years as in those preceding; perhaps a peak has been reached. However, in fairness, it must be said that if this were the controlling factor in the survey it would have to be said that governmental costs could do some traveling to catch up. Of course, attention can be called again to the fact that an increased use of credit instruments has been notable.

Assessed valuations point to an interesting inference. Whereas in the years from 1915 to 1920 expenditures lagged behind assessments, relatively, since then they have always been well advanced over property values. Of

course, during the war, while the rate of assessments did not change, government costs for all the secondary functions lagged sadly, but the chart shows a decided tendency to take the two lines farther and farther apart since 1920. Only in the last two years for which figures are given has a closer relation between the two developed. If such proximity is desirable, then an extraordinary expenditure such as the one Trenton proposes, which would send the governmental cost line scooting away again, is inadvisable. There has been no conscious change since 1915 in the ratio of assessed to true value of real property.

As with bank transactions, postal receipts, if the war peak were removed, would show a steady rise, which, however, is decidedly slower in recent years. The mountain peak during the war can be accounted for easily, due both to increased letter writing (to Trenton's part of the seven million men in service, and that incident to a frenzied industrial period) and to increased postage rates. Compared with the more perpendicular advance of government costs, postal receipts do not indicate the existence of wherewithal for Trenton's new port.

Value of manufactured products, after the tremendous rise to be expected during the war, has decidedly subsided in Trenton. Despite the depression of 1921, in 1923 Trenton's manufactures were worth as much as they were in 1919, but there has been no appreciable rise since then to match strides with the advancing government costs. In fact, from 1925 to 1927 a distressing drop in manufactures is seen which should warn the city that the time is not ripe for plunging. Now here it may be said, in spite of the argument against allowing the price index to enter the discussion, that such a drop in value of manufactured products may be no danger signal at all, but may be merely the reaction to prices. Two replies can be made to that: one, that made before, namely, that the same dollar buys government services that buys raw materials and labor. Second, even taking the commodity index into account, a drop of only 8 per cent is noted in prices from 1925 to 1927, while the value of Trenton's manufactures has tobogganed 15 per cent. The difference should point toward the position indicated above, since government costs have mounted unwaveringly.

The building permit line is an interesting one, dropping in 1918 to 20 per cent of its 1915 level. Then, of course, came the shooting star effect in the next two years, followed by the slump in the disconsolate year of 1921. A rapid recovery in a period of prosperity from 1922 to 1925 evidently carried building to a point approaching saturation, as shown by the precipitous fall in the next year, with only a slight recovery in 1927, followed by a slump again in 1928. Probably the significant feature of this factor is that the government costs line in 1926, relatively, equalled the greatest peak of the building line, and keeps on ascending while building is in the doldrums.

To sum up, it must be borne in mind that the statistician always seeks refuge in the law of averages. If one factor is out of harmony it will betray itself. But if the preponderance of testimony points in one direction it seems safe to draw a conclusion with a hint of authority.

THE CONCLUSION

Taking the trends as shown on the chart, line for line, it is evident that the increase of governmental costs has more than kept pace with the increase in wealth. There is certainly ample justification for the increased cost, as there is evidence aplenty that educa-

tion, recreation, sanitation, charitable institutions, hospitals, etc., have received vastly greater appropriations, year by year.

Most of the secondary functions of the social type, as distinguished from economic, in these days have assumed the nature of primary functions. It is to be expected that expenditures for such purposes will continue to increase. Just as Jones, bettering his standard of living, moves from a cramped flat to a spacious house with modern conveniences and a yard for his children to play in, so does the city expand and live better. To discourage such expenditures is not the theme of this study, nor in the case of Trenton does it seem necessary to call a halt there—the lines of cost and income are in proximity, but not in disproportion. The point here is that, because of the indications made, Trenton cannot depend on increased wealth at present for her port. To get it she must either lower her standards at the expense of the community well-being or overburden the municipality with debt—neither wise. Jones would stop short of these courses, and what is the city but a community of Joneses?

Had the governmental cost line veered off on an even keel instead of so closely following the other lines, a different conclusion would have been inevitable. Just so would Jones have decided on getting a car, had he found a margin of surplus large enough.

If the city fathers still wish to apply the rule of benefit to expenditures, this chart should impress on them to make doubly sure of such benefit. If the port improvement is looked on as a reproductive expenditure, i.e., one that will assuredly pay for itself, then that question also should receive more than usual consideration.

It may be said that this latter is the preponderant consideration, but the value of the procedure here outlined lies, the writer believes, in aiding a city administration to decide whether the outlay should be made at the current time. Since the return on the outlay may not always be computable, as in the case of a social project as opposed to a utility, it is important to know whether the body of taxpayers is in a position at a particular time to make an increased outlay, no matter how justifiable the object.

APPRAISING MUNICIPAL REPORTS

BY CLARENCE E. RIDLEY
University of Chicago

Dr. Ridley presents his annual evaluation of the municipal reports which he has reviewed through the year in the Recent Books Reviewed department. :: :: :: :: :: :: :: :: ::

THE accompanying table represents an attempt to grade the municipal reports which have been reviewed in these columns since the last summary was published in the January, 1929, issue of the REVIEW. The first of such summaries appeared in the issue for March, 1928. As this is the third summary to appear, an opportunity is afforded to make some comparisons with the reports of previous years, and perhaps some conclusion can be drawn as to whether the character of public reports is improving.

REPORTS REVIEWED

This summary contains twenty reports; the one appearing in January, 1929, covered seventeen; and the first summary but twelve. The cities whose reports are appraised herein were reviewed in the following issues:

June—Alameda, California; Summit, New Jersey; and Westerville, Ohio.
July—Cincinnati, Ohio; Norwood, Massachusetts; and Pontiac, Michigan.
August—Austin, Texas; Brunswick, Georgia; and Two Rivers, Wisconsin.
September—Plymouth, Michigan; Roanoke, Virginia; and Syracuse, New York.
October—Clawson, Michigan; East Cleveland, Ohio; and Staunton, Virginia.
November—Hamilton, Ohio; and Lynchburg, Virginia.
December—Kenosha, Wisconsin; New London, Connecticut; and Springfield, Ohio.

BASES OF GRADING

The twenty criteria upon which the reports were graded, briefly stated, are as follows:

I. DATE OF PUBLICATION

1. *Promptness.* The report will have little value unless published soon after the end of the period covered—six weeks as a maximum.

II. PHYSICAL MAKE-UP

2. *Size.* Convenient for reading and filing, preferably 6″ x 9″.

3. *Paper and type.* Paper should be of such a grade and the type of such size and character as to be easily read.

4. *Important facts.* The more important facts should be emphasized by change of type or by artistic presentation.

5. *Attractiveness.* The cover, title, introduction, and general appearance should aim to attract the reader and encourage further examination.

III. CONTENT

A. *Illustrative Material*

6. *Diagrams and charts.* Certain established rules should be followed to insure an accurate and effective presentation.

7. *Maps and pictures.* A few well-

TABLE OF COMPARATIVE RATINGS OF MUNICIPAL REPORTS

EXPLANATION.—The number "5" denotes approach to an acceptable standard, while "0" indicates the value on that particular criterion to be practically negligible. Intervening numbers denote the degree of variation between these two extremes. A total of 100 would indicate a perfect score.

Criteria	Alameda, California	Austin, Texas	Brunswick, Georgia	Cincinnati, Ohio	Clawson, Michigan	East Cleveland, Ohio	Hamilton, Ohio	Kenosha, Wisconsin	Lynchburg, Virginia	New London, Connecticut	Norwood, Massachusetts	Plymouth, Michigan	Pontiac, Michigan	Roanoke, Virginia	Springfield, Ohio	Staunton, Virginia	Summit, New Jersey	Syracuse, New York	Two Rivers, Wisconsin	Westerville, Ohio
I. DATE OF PUBLICATION																				
1. Promptness	2	3	3	4	3	1	0	0	0	0	4	3	4	3	0	5	4	1	3	5
II. PHYSICAL MAKE-UP																				
2. Size	5	4	5	5	5	5	5	5	3	5	5	5	5	4	5	5	5	5	5	5
3. Paper and type	5	5	5	5	5	5	5	4	5	4	5	5	5	5	5	5	5	5	5	5
4. Important facts	2	2	4	5	3	3	3	3	3	2	1	1	2	2	3	3	1	4	2	1
5. Attractiveness	5	4	5	5	3	4	5	4	5	4	3	4	4	3	5	4	4	5	5	4
III. CONTENT																				
A. *Illustrative Material*																				
6. Diagrams and charts	4	3	5	5	0	3	3	4	4	0	0	0	5	2	0	4	3	5	3	3
7. Maps and pictures	5	3	3	5	2	3	4	1	4	1	3	4	5	2	2	4	1	5	3	4
8. Distribution	4	3	5	5	2	4	5	4	5	1	4	3	5	3	3	4	4	5	3	4
B. *Composition*																				
9. Table of contents	5	5	5	5	0	5	0	0	5	0	4	0	4	5	0	5	0	5	5	5
10. Organization chart	5	0	5	5	0	5	5	5	5	5	5	0	5	0	5	5	0	5	5	5
11. Letter of transmittal	4	3	5	5	3	4	5	4	4	4	4	4	4	5	4	5	3	5	4	4
12. Recommendations and accomplishments	4	3	5	5	4	3	5	5	3	3	4	4	4	5	4	5	2	5	5	3
13. Length	0	0	0	0	0	5	0	0	0	0	0	5	0	0	0	5	5	0	5	5
14. Literary style	4	4	4	4	3	4	4	4	4	4	4	4	4	4	4	4	4	4	4	4
15. Arrangement	4	4	4	4	3	4	5	4	4	4	3	4	4	4	3	5	4	4	4	4
16. Balanced content	4	4	4	4	3	4	3	4	4	4	3	4	5	5	4	4	4	4	5	3
17. Statistics	4	4	4	4	3	4	4	4	4	4	2	3	4	3	4	4	3	4	3	3
18. Comparative data	2	3	4	4	3	4	3	4	4	3	3	0	4	2	4	4	3	4	2	2
19. Financial statements	4	3	4	3	3	4	4	4	4	4	3	3	4	4	4	4	3	4	3	3
20. Propaganda	4	5	5	5	4	5	5	5	5	5	5	5	5	5	5	5	5	4	4	4
Totals	76	65	84	87	52	79	73	68	75	57	65	61	82	66	64	89	63	83	78	76

chosen maps to indicate certain improvements, and a liberal supply of pictures, pertinent to the report, should be included.

8. *Distribution.* Great care should be exercised in placing the illustrative material contiguous to the relevant reading material.

B. *Composition*

9. *Table of contents.* A short table of contents in the front of the report is a great aid for ready reference.

10. *Organization chart.* An organization chart or table indicating the services rendered by each unit, if placed in the front of the report, will help the reader to a clearer understanding of what follows.

11. *Letter of transmittal.* A short letter of transmittal which either contains or is followed by a summary of outstanding accomplishments and recommendations for the future should open the report.

12. *Recommendations and accomplishment.* A comparison of past recommendations with the progress toward their execution will serve as an index to the year's achievements.

13. *Length.* Fifty pages should be the maximum length.

14. *Literary style.* The text should be clear and concise, reflecting proper attention to grammar, sentence structure, and diction.

15. *Arrangement.* The report of the various governmental units should correlate with the organization structure, or follow some other logical arrangement.

16. *Balanced content.* The material should show a complete picture, and each activity should occupy space in proportion to its relative importance.

17. *Statistics.* Certain statistics must be included but, wherever appropriate, they should be supplemented by simple diagrams or charts.

18. *Comparative data.* The present year's accomplishments should be compared with those of previous years, but only with full consideration of all factors involved.

19. *Financial statements.* Three or four financial statements should be included, showing amount expended and the means of financing each function and organization unit.

20. *Propaganda.* It is unethical and in poor taste to include material for departmental or personal aggrandizement. Photographs of officials, especially of administrators, seem out of place in a public report.

The application of these criteria to the reports is shown in the accompanying table.

COMPARISON WITH PREVIOUS SUMMARIES

A comparison of the reports reviewed in 1929 with those for the years 1928 and 1927 on the whole furnishes some grounds for optimism, yet in some respects the results are not so favorable.

Promptness

The showing of the reports for the past year in respect to promptness is not very gratifying. The average length of time consumed in getting the report to the public after the end of the period covered was 4.7 months. The corresponding figures for 1928 and 1927 were 3.7 and 4.5. The standard upon which the grading is made is six weeks. Only two out of the twenty reports reviewed met this requirement—those of Staunton, Virginia, and Westerville, Ohio. The delay is usually caused by waiting until the end of the period covered before beginning the compilation of data. The preparation of a public report should be a year-round job.

Physical Make-Up

A very distinct advance is discernible here. The past year the reports all to-

gether represent 82 per cent of perfection, while the corresponding figure for both 1928 and 1927 was 78 per cent. The only distressing feature here is the almost total failure to emphasize important facts in the reports. The Cincinnati, Ohio, report was the only one to receive a perfect rating on this point. Report writers apparently overlook the opportunity to furnish the casual reader a résumé of the outstanding features of a report by some sort of emphasis. Surely all the material going into a one-hundred-page report is not of equal importance to the general reader.

Illustrative Material

A slight advance also was made with respect to illustrative material although, on the whole, report writers are overlooking the important part that graphs, charts, and pictures play in recording activities. Only three reports—Cincinnati, Pontiac, and Syracuse—received the top rating in this respect, although, but for a shortage of maps and pictures, Brunswick, Georgia, would have been included. The Brunswick report easily ranks ahead of any other report reviewed with regard to graphs and charts. The twenty reports taken as a whole rated 65.3 per cent while the corresponding figures for 1928 and 1927 were 58 and 62 per cent respectively.

Composition

By far the most noteworthy improvement was made on the items under this heading. Here the rating was 72½ per cent in comparison with figures for 1928 and 1927 of 66 and 64 respectively. The one disturbing element was that of length of the reports. In 1927 the average length was 90 pages; in 1928, 78 pages; and the past year the average climbed back up to 90 pages again. It should be noted, however, that one report contained 305 pages and this, of course, ruined any chance of a favorable average. Five, or one-fourth of the total number, contained in excess of 100 pages while six reports kept under the maximum of 50 pages necessary for a perfect rating. Surely report writers are optimists of a high rank when they prepare a report of 100 pages or more and expect it to compete with such news media as the paper and the radio.

CONCLUSION

A study of the ratings of the reports for the past three years affords some basis of comparison. Allowance should be made, of course, for the small number of reports reviewed and yet it can be assumed that the sampling has been fairly representative. The average rating in 1927 was 65; in 1928, 66; while the reports reviewed in 1929 averaged 72. It appears therefore, on the basis of these figures at least, that public reporting is undergoing an improvement. It should be borne in mind, however, that this is only relative. Public reporting is still in an embryonic stage.

RECENT BOOKS REVIEWED

PUBLIC BUDGETING. A Discussion of Budgetary Practice in the National, State and Local Governments of the United States. By A. E. Buck, National Institute of Public Administration. New York and London: Harper and Brothers, 1929. x, 612 pp.

The great advance made in the United States during the past twenty-five years in the application of improved methods in the field of public administration is one of the encouraging signs of the times. When we begin to feel disillusioned about the possibilities of democracies attaining administrative efficiency, we can ofttimes revive our hope and improve our perspective by taking stock of the progress we have made.

The present volume is a well-executed attempt to take stock of the budgetary situation, as it exists today, in the national, state, and local governments of the United States. Mr. Buck's analysis is essentially constructive. He summarizes; but at the same time he evaluates. The volume likewise combines the theoretical and practical aspects of the subject, since it is truly "a manual for the administrator and the technician who are actually engaged in the preparation of the budget."

The author handles with extraordinary thoroughness all phases of public budgeting. In Part I we have a clarifying discussion of the general aspects of public budgeting, the emphasis here being placed upon the development of the budget system and the legal basis of budgetary practice. With respect to the allocation of authority over budgetary matters, the author approves the present trend which is to place control over the formulation and execution of the budget in the hands of the executive, while assigning to the legislature without restriction the rôle of determining the budget and exercising an independent check on its execution.

Part II is concerned with budgetary forms and information. The author here delves into the minutiæ of the budget data. This section is replete with illustrative materials in the way of schedules, forms, and tabulations that demonstrate the author's ideas on the arrangement of budget bills, the appropriate schedules for standard income and expenditure classifications, and adequate budget estimate forms. One of the serious weaknesses of many of our present budgets is their lack of comprehensiveness. For example, special assessments, public service enterprises, and independent administrative agencies are frequently treated very inadequately or omitted altogether. Mr. Buck not only emphasizes that the budget must be comprehensive, but he also outlines valuable suggestions that should be a guide to budget authorities in the handling of these vexatious problems. In handling the financial requirements of public service enterprises with respect to the general budget of the government, he believes that they should be included in the general budget of the government, but only in net amount, showing each enterprise as a separate self-supporting unit of the government.

Part III, which discusses the budget-making procedure, considers in turn the budget-making authority and its staff agency, the preparation of the budget estimates, the review and revision of the budget estimates, framing the budget document, legislative consideration and action on the budget.

Part IV deals with the execution of the budget. Hitherto this phase of the subject has been much neglected both by the practical administrators and by the writers of budget literature. After a consideration of the problem of general organization in its relation to budget administration, this section presents an outline of the financial devices and methods which are essential to the execution of the budget. Mr. Buck is inclined to favor the pre-audit of expenditures by administrative authorities under the executive as essential to good budget control, although he admits that some experts oppose the pre-audit plan. The comments on the General Accounting Office of the national government are timely and significant. "While the work of the General Accounting Office seems to be definitely laid out with reference to the detailed control of expenditures and the supervision of the central accounting system, we believe that this development is, on the whole, moving in the wrong direction and that experience will ultimately support our conclusion. We think that the functions of the comptroller general, aside from the approval of treasury receipts and issues,

should be strictly limited to auditing the accounts by the postaudit method, that the general accounts should be kept by the treasury department under the direction of the president, that such subsidiary accounts as are necessary in the departments and establishments should be kept by officers directly responsible to the secretary of the treasury, and that such disbursing officers as are required in the departments, establishments or field services, should also be directly responsible to the secretary of the treasury" (p. 562). Mr. Buck takes vigorous exception to the views of Mr. W. F. Willoughby, who is one of the chief supporters of the comptroller general's present position.

Mr. Buck's treatise is without a doubt one of the outstanding contributions of 1929 in the field of public administration and more particularly of government finance. Freedom from involved technical verbiage combined with a clear and readable style distinguish the volume. It is also exemplary as a functional study for the reason that the author maintains a good balance and proper proportion in his references to governments of the several levels — that is, national, state, and local. This volume should give new emphasis and direction to the public budget movement in the United States.

MARTIN L. FAUST.

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HIGHWAY CONSTRUCTION ADMINISTRATION AND FINANCE. By E. W. James. Washington, D. C.: Highway Education Board. 140 pp.

Apparently this pamphlet is intended for highway engineers and administrators rather than for the general public. It consists of a series of articles originally published in a foreign technical journal, consequently its discussions contain more engineering detail than the lay reader requires. However, there is much of profit in it for the man whose only contact with road building is as a user of roads and as a taxpayer. From it he would get an insight into the task of highway construction and learn the features of a properly conceived road-building program. If he were inspired to support Mr. James' contention that "sound economical, financial, and technical principles should prevail over the exigencies of transitory political conditions," a great work would be accomplished.

A road builder will obtain from the pamphlet a broad conception of the planning of a national highway system. He will also find good practical information on modern developments in the construction and maintenance of the principal types of roads. A chapter on cost reports for field engineering contains the sole discussion of general administration, but it deals very well with an important phase of the subject. Only one chapter is given to finance and this discusses the financing of a national highway system, but it presents briefly the sources of funds for road work and their allocation to national, state, and local construction.

Emphasis is placed on the importance of planning and particularly on the planning of construction so that early work may be a part of, and be utilized in, subsequent construction. It is pointed out that any highway expenditure to be justified must be earned by the road in the form of cheaper transportation and that, during its life, a highway must pay for itself, otherwise it will be a luxury.

The articles are preceded by an introduction written by Mr. Thomas H. MacDonald, chief of the Federal Bureau of Public Roads. He reviews highway development in its broad national aspects. Both the introduction and the remainder of the pamphlet are notably well illustrated. By a clever treatment of actual photographs, the various road types are shown as they appear to the traveller over them and as they would appear if cross-sectioned to display their construction.

C. A. HOWLAND.

✤

BUSINESS ADMINISTRATION OF PUBLIC SCHOOLS. By Harry P. Smith. Yonkers, N. Y.; World Book Co., 1929. 432 pp.

A book worthy of a place on the desk of school administration officers charged with executive functions. Practically every phase of business administration is briefly treated. A more comprehensive treatment would be impossible within one volume of this size. Such topics as the nature and organization of the board of education, the work of the board of education, unit versus multiple control, are briefly treated. An adequate conception of current opinion regarding these topics must be sought elsewhere; conclusions as a result of so brief a discussion must necessarily appear dogmatic.

The business administration of schools in action such as budget-making, school accounting, payroll accounting, operation and maintenance of plant, insurance, supplies, etc., are treated as

integral parts of the unit of administration. Depreciation of school buildings is treated at greater length than its relation to other administrative problems would justify.

As a textbook for beginning classes, or as a source book for young administrators, the book is extremely valuable because of the problems suggested and its well-selected bibliography.

Wm. J. Bickett.
Superintendent of Schools,
Trenton, New Jersey.

✻

Verwaltungsbericht der Stadt Berlin. By the *Statistischen Amt der Stadt Berlin.* Berlin: W. and S. Loewenthal, 1929.

This is a series of quadrennial reports which are issued by the government of the *grossstadt Berlin.* The reports of each quadrennium are divided into twenty-eight volumes, of which the first nine deal with the government and administration of the government of the greater city and the rest with the government and administration of each of the administrative subdivisions (*Verwaltungsbezirke*) into which the city is divided.

The volumes dealing with the central city contain complete reports of all phases of municipal activity—general administration, taxation and finance, health, welfare, schools and cultural development, streets and planning, labor, transportation, public works, factories, business, and work places. The volume on general administration for the first quadrennium discusses, for example, the legal basis of the government of the present *grossstadt,*[1] the area and population of the present city, the administrative organization—the council of the greater city, the central magistrate, the central *deputationen,* the district councils, and the district administrative boards—and the major functions of each division of the organization, as well as the research and information agencies of the central city government.

The volumes treating the administrative subdivisions of the city are somewhat briefer and more superficial. To take Wedding, for example, which is one of the six districts carved out of the area of Berlin before the expansion of 1920, and in which a considerable portion of the recent trioting and disorder has occurred, we find that it is geographically a small city, containing in 1925 over 350,000 inhabitants, or approximately one-twelfth of the population of Berlin. In the Wedding council there are 19 Independent Social Democrats, 9 Communists, 7 Social Democrats, while the rest of the 63 members are divided between the German People's Party, the German National People's Party, the German Democratic Party, and so on. Wedding elects to the council of the greater city 18 members, divided in about the same proportion as the local council. The volume contains also a review of the performance of the functions which the central magistrate has assigned to the local board and of those which the board performs especially for the central city government. The volumes on the districts generally are contained within fifty or seventy-five pages, while those on general administration frequently reach one hundred and fifty or more.

These reports are largely factual and statistical, and do not at all overlap the work of Brennert and Stein in *Probleme der neuen Stadt Berlin.*[2] There is probably no other city in the world with a system of reporting as complete and exhaustive as Berlin's. The appeal of these volumes is necessarily limited to those interested in the technical phases of municipal government and administration; for those who are so interested here is a wealth of material worthy of any embryonic doctor of philosophy. It is indeed regrettable that the reports should issue most aperiodically; all of the 1920–23 reports are not yet out, while the 1924–27 reports have been appearing from time to time. But even with this in mind, those in this country who prepare municipal reports, as well as those who discourse learnedly on the evaluation of municipal reports, may gain much enlightenment from the city where the cult of the *weldstadt* is a very real religion.

Rowland A. Egger.
Princeton University.

[1] Berlin was reincorporated in 1920 as a federated city, with a general government for the entire metropolitan area, and twenty administrative districts, or little cities performing the functions of purely local administration.

[2] Reviewed in the National Municipal Review for January, 1929.

JUDICIAL DECISIONS

EDITED BY C. W. TOOKE
Professor of Law, New York University

Public Utilities—Power of City to Fix Rates by Contract.—In a far-reaching decision handed down December 2, the Supreme Court by a majority of six to three held that the provision fixing the five-cent fare for the local street railway contained in the one hundred two franchises granted since 1886 was non-contractual in effect, and therefore not binding upon the company (*Railroad Commission of State of California* v. *Los Angeles Railway Corporation*, reported United States Daily, December 3). The majority opinion written by Justice Butler holds that the power to make a binding contract for rates in granting a franchise, like the power to grant an exclusive franchise, must be expressly delegated to a city, and that even if so granted and exercised, such power is impliedly repealed by the establishment of a state commission to regulate public utility rates and the assumption of jurisdiction by the commission, whether it acts finally or otherwise. The statute of 1915, giving the city power to grant franchises and to impose such additional terms and conditions "whether governmental or contractual in character" as in its judgment may be in the public interest, is held not to be such an express grant as to include a power to fix the rates by contract.

It has been recognized by the Supreme Court in numerous cases that, as an exception to the general rule that the agencies of the state may not bargain away its governmental powers, a city under legislative authorization may make a binding contract as to rates with a public utility company, provided the term be definite and not unreasonably long. While it has been held that the delegation of such a power must clearly appear, nowhere has it previously been held that this power must specifically be granted to a municipality. To this extent, the decision of the court marks a new line of advantage to the public utility companies in their campaign to escape the effect of rate agreements. In its conclusion that the establishment of a state commission with power to abrogate contract rates will operate to repeal any valid contract between the municipality and a public utility corporation, if the commission merely takes jurisdiction of the question upon the application of the company, the Court also takes advanced ground.

The dissenting opinion of Justice Brandeis, in which Justice Holmes concurred, and that of Justice Stone demonstrate clearly that the action of the Court is not upheld by the precedents, and point out that its decision does violence to the fundamental principles of the law of contracts. The court ordinarily follows the decisions of the courts of a given state as to the construction of state statutes, but in this instance there was no decision of the California courts defining the powers of the city in this matter. Justice Brandeis urged that in view of the well-accepted principle that the construction of state statutes must turn to a large extent upon the local legislative policy, in the absence of any local judicial construction the case should be remanded to the district court to have the question of power under the California constitution and statutes there determined. The assumption by the court that, as there was no state decision to the contrary, the contractual rate provisions of none of the numerous ordinances were authorized, seems to violate the principles of construction invoked by the Court itself. The citation of authorities in the majority opinion holding that the contract made must clearly show an intention to surrender the legislative supervision over rates, indicates that the Court confused the question of the power to fix rates by contract with the exercise of the power. It would seem that the Court ignored the effect of the California constitution in vesting in the electors of the city the concurrent power to adopt and amend its charter, subject only to the other constitutional provisions and the occupation of the field by general acts of the legislature.

The bearing of this decision upon the existing contest of the city of New York with the subway interests is significant. Had the case been retained in the federal courts, the inevitable result would have been the defeat of the city. Even with a favorable determination by the state courts in construing the statutes and the subway

franchise provisions, the attitude of the Court in the Los Angeles case under consideration would indicate that the contentions of the city will fail unless counsel can persuade the majority of the Court that the interests of the public demand that some limit should be placed upon its extension of the doctrine of federal control over local public utilities.

✱

Home Rule—New York Multiple Dwelling Law Upheld.—The division of powers between the state legislature on the one hand and the cities of the state on the other under constitutional provisions for home rule has been a constant source of litigation almost from the inception of this form of municipal government. The controversy was again presented in a case arising in New York (*Adler* v. *Deegnan*, 251 N. Y. 467, 9 N. E. 705), which involved the validity of the recently enacted Multiple Dwelling Law (N. Y. Laws 1929, c. 713; Cons. Laws, 61-a) under the home rule provision of the state constitution (Article 12).

The direct question involved was whether the Multiple Dwelling Law, which applies to cities having a population of 800,000 inhabitants or more, thereby being restricted in application to the city of New York, violates the home rule provision of the state constitution in so far as it requires the owners of multiple dwellings to light the halls therein.

The Multiple Dwelling Law, which superseded and was the result of the remodeling of the Tenement House Act (Laws 1901, c. 334, as amended by Laws 1902, c. 352), was passed in the manner in which other state legislation is adopted, that is, by a majority vote, and not as an emergency measure by the concurrent vote of two-thirds of the members of each house of the legislature, as would be required by the constitution if the law related "to the property, affairs or government of cities" and was "special or local either in its terms or in its effect" (Article 12, § 2).

The court in effect held that the paramount power of the state legislature to pass such police regulations as it may deem in the public interest is left unimpaired by the home rule amendments, and that any local ordinances in conflict therewith are nullified by such legislative action. This principle of construction is one that has been followed sooner or later in all the so-called home rule states; any other rule applied to the exercise of the police power necessarily would result in disaster. The effect of the home rule amendments, therefore, so far as the exercise of sovereign powers is concerned, is to leave to the state legislature the power gradually to narrow the field of local home rule, as in its judgment from time to time the public interests demand. Whether it be the regulation of the highways or the health and safety of the inhabitants, the scope of the home rule powers must yield to the paramount public interest. The question of when and to what extent the public interest requires such curtailment is for the legislature, and not for the courts, to determine.

The import of this decision, however, goes further; under the decision of the court these powers are not to be considered as "relating to the property, affairs or government of the city" so as to require a two-thirds vote of the legislature upon an act declared to be an emergency measure. The scope of home rule as broadly expressed in the language of the constitutional amendment is in effect thus cut down by excluding therefrom all local police powers that the legislature may see fit to exercise.

✱

Municipal Broadcasting Held Subject to Regulation by the Federal Radio Commission.—In a decision handed down November 4 the Court of Appeals of the District of Columbia held that the radio broadcasting station of the city of New York was subject to regulation by the Federal Radio Commission (*City of New York* v. *Federal Radio Commission*, not yet reported). The controversy arose over an order of the commission requiring the station to share its time with another station in New Jersey operating upon the same wave length.

The attorneys for the city maintained that the operation of the station was a governmental function and therefore immune from federal control. The court, however, said that the function is proprietary in character; and furthermore, that whether proprietary or governmental in character, broadcasting is engaging in interstate commerce, and therefore subject to federal control. The latter point has already been decided in the few cases in which the question has been raised, and disposes of the point in issue in the instant case.

Whenever the federal government is given exclusive control over such an activity as interstate commerce, the acts of Congress must necessarily prevail over any attempt by the state to exercise any governmental control. It is fortunate that Congress assumed control over the radio,

before the states attempted to exercise any jurisdiction. Difficulties were thus avoided similar to those which have arisen by reason of the efforts of the states to regulate the use of highways for commercial purposes. The decision in the instant case seems not only sound, but inevitable, and one that will be affirmed by the Supreme Court, should the question be carried to that tribunal.

✻

Streets and Highways—Power to Pave Includes Power to Construct Necessary Storm Sewers.—In *Ashcom* v. *Borough of Westmount*, decided by the Supreme Court of Pennsylvania November 25, 1929, the court affirmed the power to construct storm sewers as incidental to the power to pave streets and to assess the cost against the property benefited. The action was in equity to enjoin the borough from collecting the cost of storm sewers, and set up a lack of power in the municipality as the primary ground for relief. In reversing a decree of the lower court restraining such collection, the court points out that from *Schenley* v. *Commonwealth*, 36 Pa. 29, down to *Deer* v. *Sheraden Borough*, 220 Pa. 307, the Pennsylvania courts have held that the power to pave and to make special assessments therefor includes the power to do whatever is essential for the proper execution of the work, including regrading, curbing, and the construction of necessary works to take care of surplus waters.

It may be noted that the precise basis given by the lower court for its decree was that the construction of the sewers was not expressly included by the enabling ordinance authorizing the pavements. The supreme court states, however, that the ordinance authorized the construction of the pavements in accordance with certain plans and specifications which provided for the storm sewers in question. Under these facts the court concludes that the ratifying ordinances specifically mentioning storm sewers were unnecessary and that the assessments were properly authorized both by statute and by ordinance.

(The full opinion in this case was published in the *United States Daily* of November 30, 1929.)

✻

Streets and Highways—Abutting Owner's Right to Oil and Gas Under Street.—A recent decision by the Court of Civil Appeals of Texas points out the importance of certain rights in a street or highway, the fee of which is owned by the abutting owner. The right of the owner of property adjoining a street to access, light, air, view, and lateral support exists whether the fee of the street is in him or in the public. But the ownership of the fee of the highway by the abutting owner carries with it certain important rights which otherwise would not accrue to him. Generally, he must be compensated for any use of the streets that is not included within the public easement to use the street for purposes of travel. Not the least of the rights retained with the fee is that to the subsurface not required for strictly street purposes.

In *Town of Refugio* v. *Straugh*, 20 S. W. (2d) 326, Straugh and another acquired lands from the town, described as abutting on certain streets which had been duly laid out and dedicated, but never improved, by the town. The town leased these street lands with the right to the lessees to drill for oil and gas. The Texas statutes (1267 R. S. 1925), while giving cities and towns the right to lease their oil and mineral lands, forbid the leasing of land in the streets for drilling or mining purposes. The court held that the status of the land as a street was not affected by nonuse or a failure to fence it off or to improve it. Under the statute this finding would have been sufficient to sustain the judgment of the court. But the court further held that the conveyance of the abutting property as bounded by a street carried the fee to the center of the highway, and that therefore the oil and mineral rights were in the abutting owners, and that they were entitled to a decree enjoining the town or its lessees from continuing their drilling operations.

✻

Zoning—Continuing Use—New Jersey Statute not Retrospective.—In *Durkin Lumber Co.* v. *Fitzsimmons*, 147 Atl. 555, the Court of Errors and Appeals of New Jersey unanimously reversed the judgment of the supreme court of that state (143 Atl. 816) affirming a conviction of the appellant for violation of a provision of the zoning ordinance of the town of Belleville. The appellant's property lies partly in the town of Bloomfield, which portion is zoned for industries, and partly in the town of Belleville, which by ordinance excluded the use of that portion for the same purpose. The property is one solid tract, and the Belleville portion is used for the storage of lumber incidental to the business operated from the buildings on the Bloomfield side. The use was established subsequent to the enactment of the ordinance, but prior to the enactment of the general zoning enabling act approved April 8, 1928.

The court holds that the ordinance when passed, so far as it relates to the use of the property in question, is unconstitutional, under the authority of *Ignaciunas* v. *Nutley* (99 N. J. L. 389, 125 Atl. 121), in that the prohibition of the use of this property as used by the appellant is not "designed to promote the public health, safety and general welfare." The constitutional amendment of 1927 was not self-executing and the general statute of April 3, 1928 (Chap. 274, Laws of 1928) did not have any retroactive effect. The statute clearly preserves the right to continue a non-conforming use lawful at its inception. But the respondents claimed that the provision of the statute that all ordinances previously passed should continue in effect "as if they had been adopted under the provisions of this Act" rendered the ordinance in question valid from the time of its inception. The court refused to take this view, and denied that the statute did more than to put into effect such existing ordinances, previously invalid, as of the date of the statute.

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Streets and Highways—Liability of Municipality for Change of Grade of State Highway.—In *Maguire* v. *Village of Crosby*, 226 N. W. 398, and *Foss* v. *City of Montevideo*, 227 N. W. 357, the Supreme Court of Minnesota holds that, under the statutes of that state requiring the approval by the local authorities of the plans for the construction by the state highway commissioners of a trunk highway on a village or city street, the municipality becomes liable to abutting owners whose property is damaged by the change of grade to which the local authorities have consented. Under the constitution of Minnesota, a change of a street grade which damages private property cannot be made without compensation first paid or assured. The duty of control and care of the streets is laid primarily upon the municipalities, even of highways constructed within their limits by the state. The wrong, therefore, lies in damaging the property without first making provision for compensation. The statute gives to the municipality the power of approval, which it may so exercise as to save itself from liability.

Of course, without this element of control over the plans or program of the work, the municipality would not be held liable for the acts of state authorities. For this reason the city of New York is held not liable on tort for damages arising from the construction of the subways, the control of which work is vested exclusively in a state commission. A New York case illustrating liability imposed by statute independently of the presence or absence of control by the municipality over the work of changing the grade of streets is *McMullen* v. *Village of Marlborough*, 163 App. Div. 73. The New York statute changes the common law immunity from liability in such cases and imposes upon the municipality liability to respond in damages to the abutting owner, whenever the improvement is lawfully made by the constituted authorities whether the act is that of the municipality or not.

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Streets and Highways—Abutter's Right to Continuation of Sidewalk.—The Court of Chancery of New Jersey has recently held that the abutting owner has no remedy in equity against the action of a municipality in cutting down the area of the sidewalk along the side of his property (*E. M. Harrison Market* v. *Town of Montclair*, 147 Atl. 502). In laying out in 1924 a new street connecting the street upon which complainant's property abutted with a parallel street in the rear, the town was unable to acquire sufficient land to make the street of the desired width of eighty-eight feet. It therefore seemed necessary to limit the roadbed so as to leave some seven and one-half feet for sidewalk on complainant's side. In 1927, to meet the demands of vehicular traffic, an ordinance was passed to widen the roadbed to conform with its width in that part of the street to the rear of complainant's property by cutting down the sidewalk area on that side to eighteen inches. Complainant sought to restrain the carrying out of this plan on the ground that it would result in the taking of his property without just compensation and would result in irreparable injury.

In refusing to grant the injunction, the court finds that the sidewalk was not used by the complainant as a means of access to his building, but only for the accommodation of the public in general, and that if the complainant is entitled to damages his remedy is in a court of law. The complainant's situation in this case was quite unusual, and the opinion of Vice-Chancellor Backes holds that, under the facts of the case, he had not acquired any vested right in the maintenance of the sidewalk as originally laid out. Had the street become necessary for access to complainant's property by user over a long period, he might be entitled to substantial damages, but the court intimates that the control of

the local authorities over the use to be made of the street is paramount under the statutes, and that equity will not interfere to control their discretion.

In this connection, we may refer to a note in our November issue commenting on the case of *Franklin* v. *City of Atlanta*, 149 S. E. 326, in which the Supreme Court of Georgia held that the abutting owner had a vested right in the continuance of a sidewalk in front of his premises and was entitled to damages for its removal.

*

Special Assessments—Direct Liability of Municipality.—In *Grand Lodge, A. O. U. W.* v. *City of Bottineau*, 227 N. W. 363, the Supreme Court of North Dakota holds that the failure of the city to have property sold for delinquent special assessments struck off to it in the absence of other bidders is negligence under the statute and renders the city liable in damages for the amount due under the warrants. In this case the warrants were drawn against the special fund to be created by the assessment of special taxes and provided against the personal liability of the city. The court therefore squarely holds that notwithstanding such provisions, the city will be liable for the amount due on the warrants if it neglects to comply with any of the requirements of the statute which authorizes the improvement.

The opinion of Judge Englert is especially valuable for its review of the authorities on this subject. For a discussion of this question at some length, the reader may be referred to the notes in this department in the April, 1928, number of this REVIEW.

PUBLIC UTILITIES

EDITED BY JOHN BAUER
Director, American Public Utilities Bureau

WHAT PRICE PUBLIC UTILITY SPECULATION?

Following the stock market debacle, the collapse of some twenty billions of artificial values, we cannot resist the opportunity—so far as public utilities are concerned—to say, "I told you so," and, of course, to tell it again.

If there is anything that we have sought to stress in this department, and have used almost throughout in our discussions as *leit motif*, it is the objection to all inherent speculative factors in public utility rates and financing.

We have belabored this topic, directly or indirectly, not only from the standpoint of the users of service, but also of investors, whose status as investors determines the ability of the utilities to furnish facilities and adequate service at reasonable rates. We have incessantly driven the fact that speculation has no place in public utility organization, operation and financing.

We have been told on what is probably good authority, that about 40 per cent of the security crashes have been among public utilities. We have not attempted to check this percentage, but are inclined to believe that it is substantially accurate. The situation would not be essentially different if it were 30 per cent or 50 per cent. The fact is that among the conspicuous "skyscrapers" have been the public utility stocks, or public utility holding companies, or public utility investment trusts.

Not all stocks had reached the blue azures. There had been considerable selection, or, at least, variation as between stocks which had been carried to the skies, and others which had not been so favored.

THE "SELECTED" MARKET

Among stocks "favorably selected" and viewed with special "investment" approval had been the public utilities, particularly electric, whether in the form of direct utility, holding company, or investment trust. But why were these among the selected groups? What were the basic conditions of the electric industry that produced the ever-rising market values? What particularly attracted the investors' or speculators' attention upon these groups as against others, which, fortunately, escaped the market's selection touch.

The answer, we submit, appears partly in the enormous technological advances that have taken place progressively during the past decade, or, for that matter, during the past twenty-five or forty years. This has placed the industry in position to compete favorably for all kinds of power and commercial uses, and to increase the volume of business. Nevertheless the old level of high rates for domestic uses has been continued for the most part. Rate schedules have been modified to stimulate consumption in uses where lower rates would effect greater consumption, but high rates where there would be no such promotional effect have been retained. Domestic rates have not been reduced to a level consistent with other rates, or in proportion to the decline in unit costs of rendering service.

As a consequence the gross revenues of many electric companies have increased by leaps and bounds. Operating expenses, of course, have increased also, but not in proportion to the volume of business and gross receipts. The margin of net earnings has advanced steadily and rapidly, because rates were not reduced with the increase in volume of business and decrease in unit costs of service. The progressive improvements have gone virtually in their entirety to the benefit of the utilities. There has thus been increasing earning power, because of growth of business, declining unit costs, and failure to adjust rates in accordance with these changes.

PYRAMIDING OF EARNINGS

Under these circumstances, naturally, the market prices of electric stocks would rise. This would be accentuated by the fact that most of the companies have built up their properties largely through the issuance of bonds and preferred stocks. To the extent of at least two-thirds of the total investment, the securities have

been limited to fixed annual interest or dividends. Hence, the steadily increasing earning power has been absorbed wholly by the common stock, which thus represented in most instances not over a third of the total investment. This means of course, three times greater increase in the earning power of the common stock, compared with the total net earnings on the properties as a whole.

There has, thus, been a sharp pyramiding of net earnings in the direct financial structure of the ordinary company. But this is only the first step in the pyramiding process.

Operating companies have been brought under control of a holding company, which, in the normal instance, acquired the common stock through the issuance of holding company bonds and preferred stock, so that the holding company's common stock represented very little, if any, actual investment in the operating properties. As a third step, the common stock of the holding company was then acquired by a far-flung holding company system; a holding company of holding companies. Again the stocks were acquired by the issuance of bonds and preferred stocks of the third series of companies, while the common stock was retained by the organizing and financing geniuses. In some cases there have been still higher series of successive structures, also affiliated management, construction and financing companies. And on top of these pyramids, and flung in between, are the investment trusts, which have dealt largely in equities built up through the pyramiding of net earnings.

As to underlying production and demand, the industry not only had been marching forward with rapid strides, but it will continue moving forward for an indefinite period to come—and upon solid ground. The financial structures, therefore, have appeared enticing. The growing earning power of the operating companies, and the ever greater prospective earning power, have gone to support the pyramided stocks. The prospects were capitalized into market values, augmented by exaggerated expectations, and concentrated in the top layers of common stock.

PROMOTING SPECULATION

This corporate set-up, of course, promotes speculation to the extreme, and produces the greatest financial instability. A moderate increase in net earnings on the entire operating property, produces a great increase for the ultimate common stock held by the public, and, inevitably, results in proportionately higher market prices. This process is affected not only by actual earnings, but also by expectations—which are psychological and intangible, subject to stimulation and imagination. This, in general, pictures the situation before the break in the market.

But pyramiding works downward as well as upward. When there is a moderate decline in net earnings, or reduced expectations, the effect is cumulative upon the ultimate common stock. Just as the psychological factors produce excessive upward swings, they bring about precipitate drops. The rises and declines are extreme because of the financial structures.

The upward movement, based upon ever-increasing earnings, had continued so long that it affected the financial judgments of usually conservative investment houses and banks. Financial experts, dealing with electric securities, developed the feeling that there was no top, and that values would continue ever upward and higher. They did not keep in mind the fact that the companies really are public utilities, are subject to rate control, and are, thus, limited in earning power, apart from technological developments and growth of business. Unfortunately, indeed, few of the financial groups who have marketed the securities understood the background of rate control and the interrelation of earning power to reasonable rates limited by public authority.

DISREGARDING RATE CONTROL

Here is the fundamental difference between an electric company and an ordinary business. The latter may charge at any time whatever it can under market conditions, but an electric company furnishing a public service is subject to rate control, and is legally entitled to charge only such rates as will bring in the aggregate a fair return on the fair value of the properties. Hence, with the progressive developments in the industry, with the decline in unit costs and increase in volume of business, the company is ordered to reduce rates, subject to a fair return on the properties. But the existence of rate control has been almost wholly disregarded by promoters, bankers, investors and speculators. The industry has been treated virtually as if it were entirely a free agent.

The ineffectiveness of rate control has been largely responsible, in our opinion, for the specu-

lative condition in the industry. The returns to which the companies have been entitled, have not been clearly defined and properly provided for. The limitations upon earnings have not been definitely fixed and applied. Hence, the growth of net earnings under existing rates, has, naturally, been capitalized into stock values, although, under the law, the basis of these values might be removed at any time through public revision of rates. That the high domestic rates which have prevailed can continue indefinitely for the future was highly improbable, and yet the earning power of the companies was capitalized in the pyramided stock values substantially upon such expectations. The partial realization of this fact by the investing public, and perhaps business, has doubtless been one of the causes of the collapse of public utility stocks, especially of holding companies and investment trusts.

SEE HOW IT'S DONE

We have in mind a particular case, which is extreme even among many extreme instances, but illustrates excellently the speculative status of electric utility stocks. This particular company is serving a large territory with a rapidly increasing population, and has enjoyed a rapid growth in volume of business. Its net earnings have increased correspondingly; its rates have been reduced but slightly; and its capitalization has been so adjusted as to convey the increased earnings to a small proportion of the actual investors.

This company, in the usual manner, had financed the construction of its properties mostly through the issuance of bonds and fixed-return securities. It had outstanding, originally, common stock of $100 par value per share, representing, presumably, an actual *pro rata* capital investment. This stock has been split up successively into non-par value stock, so that now there are outstanding one hundred shares for each original share of $100. The actual investment of the present stock is one dollar per share, instead of the original $100 per share.

In 1928 this company earned, above operating expenses, taxes and all fixed charges, about 60 cents per share on the capital stock outstanding. This was, indeed, a liberal return, 60 per cent on the stock itself, and about 16 per cent return upon the entire property, most of which had been constructed under high prices prevailing since 1916. The earnings had been increasing so rapidly that the company had reached a point where radical rate reductions would naturally be expected and ultimately put into effect, despite an inefficient system of rate control. Notwithstanding this limit to further increased earning power, the market value of the stock reached the point of $75 per share. To sustain this value, even on a 6 per cent basis, would have required net earnings of $4.50 per share, as against the 60 cents actually earned in 1928, when the rate of return on its stated investment was already over 16 per cent, and when vigorous demands for rate reductions had been started.

In the name of common sense, how could bankers or investors who had any intelligent grasp of public utility finances and rate control look upon a $75 market price without a shudder! Yet, in this instance, it was seriously proposed to take a large part of the capital stock into a special holding company, or financing company, and then to execute financial operations on the basis of the market price as stated. As the first step, the so-called "capital corporation" was to issue its own non-par common stock, share for share, for the common stock of the electric company—no harm, particularly, in that! But, watch the next step proposed for the regular financing of the electric company, which will need many millions of additional capital within the next ten years!

HOW TO RAISE CAPITAL

The proposal was to issue bonds or other senior securities of the capital corporation, based upon the common stock of the electric company as collateral. The funds thus obtained would be turned over to the electric company for its common stock at the prevailing market price. For $10,000,000 of its own bonds, issued, say, at 6 per cent, it would thus receive 133,333⅓ shares of the electric company's stock at $75 per share.

The returns received from this stock at 60 cents per share, would be $80,000 a year, as against $600,000 interest payable on the $10,000,000 bonds sold to the public. This is an aggregate discrepancy of $520,000 a year between outgo and income for the capital corporation—a net loss of $3.90 per year on each share of the electric company's stock acquired! To maintain intact the proposed financial structure of the new company, would have required not only the continuance of the existing high rates charged to domestic customers, but also an enormous

increase in rate base, and higher rates predicated upon this rate base to support the new bonds which were to be given public flotation.

The whole plan is manifestly absurd as a financial proposition. It could not have been both honestly and intelligently conceived. And yet it was seriously supported not only by the principal owners of the electric company's stock, but by a respectable financial house; and, for a time at least, the utility commission seemed likely to give its approval on the basis and for the purposes as outlined.

IS IT STUPIDITY?

The absurdity of the particular instance stands out so glaringly that its accuracy might be challenged—but the facts are known personally to the writer. It is an extreme instance, but it illustrates, nevertheless, the general situation that prevailed. No limits to earning power were conceived. The preposterous was accepted as conservative judgment. We do not imagine for a moment that all the people connected with the particular instance were corrupt, yet the inevitable consequences would have pointed strongly in that direction. The plan would have enabled the inside owners of the electric company's stock to unload their holdings upon the public at $75 per share—as against an actual investment of $1.00 per share. The actual contributors of new capital, *i.e.*, the bondholders of the capital corporation, would ultimately have found themselves with the bonds of a hopelessly bankrupt corporation. Nothing else would have been possible!

The basic fault in this situation was the lack of clear understanding of the underlying character of the utility, with its legal limitations upon earnings and its public obligations. Regulation was looked upon not as definite limitation upon earning power, but as a special instrument for protecting the industry as against competition and thus safeguarding the ever-mounting earning power.

"COME ON" INVESTORS

We have on our desk a rather typical pamphlet issued by a well-known investment house. It pictures the alluring advantages of consolidation; it plays up the monopoly feature of utilities and the protection by the commissions of the monopoly—with the plain inference that the savings of consolidation will be huge, and will go wholly to the fortunate holders of the ultimate stocks! Not a word about rate control and public limitation upon earning power. A simple table showing the profits realized in other mergers by those who had had foresight constituted a powerful appeal. Just look: a rise from $1 to $240 per share, an increase of 23,900 per cent; from $6 to $610, an increase of 10,066 per cent; from $1 to $57, or 5,600 per cent; from $17.50 to $276, or 1,477 per cent; from $39 to $575, or 1,137 per cent! So, after all, the advance from $1 to $75 above described may not have involved any culpable motives—only buoyant expectations based upon consolidations, future growth of business, monopoly, and protection by the commission—with little or no consideration of limitations upon rates and earning power!

We come, therefore, to our point, that such financial extravaganzas as have taken place should be impossible in the electric field, or any public utility. All speculative features in public utility financial operations should be removed; there should be no uncertainty as to net earnings to which a company is entitled and which it may receive under regulation. Our proposal has been, and is, that the rights of the investors should be accurately defined by statute, and should be definitely provided for through systematic rate control. The rate base should be shown by the accounts of the company, and rates should be promptly increased or decreased according to the returns to which the company is entitled, with provisions for rate equalization from year to year to take up unexpected variations in costs and volume of business.

MUNICIPAL ACTIVITIES ABROAD

EDITED BY W. E. MOSHER

Director, School of Citizenship and Public Affairs, Syracuse University

Regional Government.—The winning essay in the Haldane Essay Competition for 1929 is entitled "Regional Government, or the Next Step in Public Administration." In the judgment of the author, Mr. Edgar Ashby, one of the most important currents in the development of public administration flows in the direction of the deliberate adoption of a larger unit for administration. By way of introduction he points to the development of transport facilities and housing schemes on town planning lines and the "rationalization" which is going on both in industry and government. Rationalization leads to the elimination of the smaller unit with the reduction of waste and the savings that come through large-scale planning.

Evidences of this movement are to be found in the increased number of joint committees of local authorities for the purpose of setting up more economic unitary areas. Reference is made to the joint committees responsible for the supplying of electricity for the borough, the county or possibly several counties, which are treated as a unit both with regard to generation and distribution. Similar committees are responsible for drainage, hospitals, the administration of poor relief, town planning, valuation for rate-making purposes, tramways, omnibus undertakings, and the like.

The guiding principles suggested for the proposed enlarged unit of administration are four in number: (1) inevitable combination of urban and rural areas; (2) intelligent anticipation of the future needs of the country as a whole with regard to town planning, roads, transport, health, utilities; (3) equalization of local taxes as between areas of different types, for instance, the densely populated industrial townships, the wealthy residential districts and the depopulated countryside; (4) the progressive drainage of the densely populated areas into the rural districts.

In the setting up of new boundaries the underlying ideas are that no purely rural area should remain unattached to some substantial town, that towns should be grouped with reference to intervening country districts, that a considerable margin should be provided on the outskirts of all towns in a zone, and finally that each zone should be controlled by a single authority endowed with broader powers than are now granted even to the larger local units. The primary unit of control would be a local committee elected by universal franchise for areas of a homogeneous character. Such committees would elect in turn regional councils who would be endowed with the power to select candidates of special ability, although not from their own number. The function of the local government would be largely advisory, for the purpose of making representations to the regional council. The regional council itself would be much smaller than the average county-borough council, possibly with a membership of twenty to thirty members. Its actual functions would be carried on through small executive committees, controlling departments charged with administration of the various services of government.

An essential feature of this scheme is that the executive heads of departments should have increased power and a broader right of initiative in administering and directing the services under their control. They would, of course, be expected to report regularly to the council, but would relieve the council of many of the duties which the present organization imposes upon it.

It is believed that it is possible to reduce the number of departments through a re-grouping of the services. The departmental heads suggested by the writer include the following: (1) clerk to the regional council who would act as chief administrative officer, (2) a financial controller, (3) an engineer and surveyor, (4) a police commissioner, (5) a director of health services who would not necessarily be a medical man, (6) a director of trading enterprises who would be the managing director of the council of commercial activities. Anticipating the cry of bureaucracy that this proposal would surely bring in its trail, the author points to the successful operation of the services of the state in the control of permanent officials. In spite of the criticism of this method of administration its success in the state services,

together with the speed with which policies are carried out, seemed to him to be a convincing argument under this head.

The benefits that are to be derived from central organization are the following: financial, town planning, correction of the drift from the countryside to the town, passenger transportation, a thorough redistribution of seats for the parliamentary franchise.

1. Under financial benefits, reference is made to the unequal distribution of the burden of rates. In spite of the proposed reduction in the valuation placed upon agriculture it appears to the writer that a proper distribution calls for a social union between the populated and the sparsely populated areas. The broader the basis the more likely the chance is that an equity of distribution will be obtained. Another argument for the larger area is the tendency of business men who have acquired their wealth in industrial towns to live in a small borough outside the boundaries of that town. Enjoying all the advantages of the town they pay lower rates and contribute little or nothing toward the burden of the various services of the center. It seems to him further that if the areas occupied by working-class dwellings were combined with more prosperous areas, the situation would be much more equitable.

2. Town planning. Here the question of the construction of arterial roads is cited as of special importance, calling for action in regional terms. The development of playfields and open spaces would be facilitated by the arrangement proposed.

3. Correction of the drift to the town. The argument advanced under this heading is that the "ventilation" of the populated areas and the re-peopling of the agricultural areas are of a mutually corrective nature. With the development of small holdings, a comprehensive system of good roads, the provision for cheap electricity for light and power, transport services for both passengers and freight, possible provision for municipally owned movies and dance halls, would make the outlying regions much more attractive. This plan also involves the location of industrial undertakings in open spaces and the construction of new housing centers more removed from the already congested urban units.

4. Passenger transport. It is pointed out that unsatisfactory conditions have developed with regard to passenger transportation on account of the rights of municipalities arbitrarily to set up limitations on bus systems by the licensing method. More satisfactory arrangements with the railroads might also be made if the railroad companies had to deal with the regional councils rather than with governmental authorities operating in a limited scope.

5. Parliamentary franchise. The present apportionment of seats in parliament brings with it a considerable number of inequalities that might be greatly reduced if representation were on the basis of larger population units.

In conclusion the author indicates that the regional government developed along the suggested lines would be of marked benefit to other types of services as well. By way of illustration he refers to hospital services, the care of mental defectives, higher education, and police and fire brigades.

The most interesting feature of this paper is the clear-cut proposal that the organ of administration should be clothed with authority to adjust itself to the enlarged units of economic and social intercourse.—*Journal of Public Administration*, October, 1929.

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Municipal Treatment of Rheumatism.—The borough of Kensington has inaugurated in the board of the public health work, a policy of supervising children under the age of sixteen who are afflicted with rheumatism. Notification of acute cases was made mandatory on August 1, 1927. According to the records, it appears that acute rheumatism occurs in children under sixteen years of age two and one-half times more frequently than tuberculosis. This is considered a conservative estimate.

The keystone in the structure in the experiment in Kensington is the supervisory center. Here diagnosis is performed, records are kept, and a close contact maintained between the home visitor and the physician in charge of the case. Notification is obviously but the first step in the direction toward feeding the material to the centers. So far as conclusions from the experiment thus far are drawn, there appears to be no single environment that stands out as an invariable associate of juvenile rheumatism. In other words the relationship of dampness, lighting, ventilation conditions and cleanliness with rheumatic tendencies has not been established. Generally speaking, however, it does appear that there is a causal relationship which ordinarily accompanies poverty—namely, overcrowding, deterioration of the home, housing conditions and the difficulty of obtaining the necessities of life.—*Local Government News*, November, 1929.

Engineer Reports Comparative Costs.—S. G. Stanton, the borough engineer of Southampton, has presented a report for his corporation for the twelve months ending March 31, 1929, certain features of which may prove to be of interest to the readers of the NATIONAL MUNICIPAL REVIEW, particularly the record of unit costs. For instance, 66 miles of road were treated with hot spray at the cost of £15,000, with an average cost of 4.8d. per yard or £232 per mile of road.

One hundred and fifty miles of street were cleaned; of this total mileage 15 were cleaned daily, 15 three times a week, 54 twice weekly and 70 miles once a week. A comparison is then set up with regard to the cost of street cleansing on a basis of each 1,000 of population in Southampton. The average amounted to £89.13 for the year. A list of other cities with the cost computed on the same basis is included in the report.

With regard to the removal of refuse, the number of houses is given together with the total amount collected. On the basis of a 365-day year, this amounted to 5.38 cwt. per capita. The collection cost was 5s. 8d. per capita and disposal cost 4s. 1.7d. Here again the method of computing cost on the basis of 1,000 population is applied. This appears to the engineer to be a sounder method of comparison. The average was £78 5s. 3d. for collection and £55 13s. 3d. for disposal.

Cost figures are also reported on the operation of steam wagons, steam rollers, lorries, etc. Interest and sinking fund charges are not included in these computations which are worked out with reference to costs per day.

The engineer's report also takes into account the number of houses completed under the city control in 1928; these total 836, while 492 were in the course of construction in 1929. The number of dwellings either previously constructed or now in the process of construction total 3,615.

It should be noted that more and more data are being currently reported by municipalities and other public agents which make it possible to make comparisons between similar agencies for similar services.—*Municipal Journal and Public Works Engineer*, November 15, 1929.

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Electricity Supply Accounting.—Because of the new financial relations established between municipalities and generating companies in England under the Central Electricity Board, the accounting procedure has necessarily been thoroughly revised. This revision consists in adding to the subjective analysis of expenditures previously required under the system installed by the Board of Trade, a more objective method of accounting in which a costing scheme is involved covering both the features of generation and distribution.

In regard to disbursements under the head of management, for example, more or less arbitrary apportionments are called for and agreed upon between the responsible agencies. On account of the difference in the functions of various authorities, a *uniform* percentage covering the allocation of overhead does not seem possible, but an allocation on a percentage basis is required.

Although capital outlays have always been separated as between generation and distribution, the new system calls for the separation of interest, debt redemption, dividends and depreciation as between the major functions.

Where municipal undertakings have redeemed the debt on the station plant and the life of the plant has exceeded the period of debt redemption, no charges on this score will appear on the accounts. With regard to land, this relief will be permanent.—*Municipal Journal and Public Works Engineer*, November 8, 1929.

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The Diploma in Public Administration.—The first examination for the diploma in public administration given under the auspices of the University of London has just been held for five participants, two of whom came from departments of the central government and three from the local government service.

The syllabus covered not alone the science and machinery of public administration but also its social and economic implications. The following nine subjects are included: (1) Public administration, central and local; (2) economics, including public finance; (3) social and political theory; (4) English constitutional law; (5) English economic and social history since 1760; (6) the constitutional history of Great Britain since 1783; (7) statistics; (8) the history and principles of local government, and (9) social administration.

The total number of subjects required is six; the first three in the above series being compulsory, and the choice of three more being left to the candidate.

A. L. Peacock, juvenile employment officer, writes enthusiastically of the value of the course of study, stressing particularly that he acquired a wider outlook, a new sense of relationship as

between his own work and that of the other departments, and a more scientific approach to his daily problems. This has served as a means of counteracting the inevitable influence of being tied to a single, more or less routine task. It has given him an appreciation of what the local government is doing toward serving the *whole* of the community. He summarizes his experience as one which has contributed to a revitalization of ideas and interests and the re-orientation of the day's work.—*Local Government News*, November, 1929.

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German Municipal Policies Since the War.—Dr. Benecke, in charge of the publicity of the German Municipal League, has summarized in a comprehensive way the activities and advances made by the German communes in the post-war years. He places at the head of the list the social, economic and cultural tasks that have been undertaken. With reference to public welfare, he points out that there has been a complete transformation of organization and policies because in place of the care of individuals, the problem has become the care for families and even for whole communities. According to the statistics for 1927, the contributions in all towns and cities of 10,000 inhabitants or more and in the provinces aggregated not less than 1,191 million reichsmarks. This figure does not include the provisions for productive work that were created in order to supply employment. In addition to the above-named figures, the communes gave 578,000,000 reichsmarks for the construction of dwellings in the same year.

In spite of the widespread protest on the part of private producers against the extension of the economic activities of the towns and cities, there has been a marked increase in this field. Using figures of Dr. Mulert that were cited in the Congress of Municipalities in Seville, it appears that about 94 per cent of the water works and 75 per cent of the gas works in Germany belong to the communes, while 22 per cent of the electric enterprises are in the hands of the communes, 25 per cent in those of the state, while 30 per cent are controlled by an organization in which communal and private interests are merged, and the balance, that is 23 per cent, are private. One hundred and ten of the total number of street railways are communal. Only 35 are in private control. In the matter of air traffic, the communes and the communal groups have contributed 11 per cent of the capital. Looking at Prussia alone, there are 1,500 public savings banks of which 730 are municipal, 250 are run by rural communities and 488 by other public agencies. These banks have set up 6,400 places where money is received from the public. There are about 1,000 slaughter houses in Germany of which only 50 are in the hands of private individuals or groups. In the year 1925, 25 cities had 47 public markets. The communes also own about 2,000,000 hectares of forest lands. A considerable number of bathing resorts are likewise administered by the communes.

The number of beds provided in public hospitals has increased in the years 1913 to 1926 from 178,000 to 304,000, while there has been a decrease among private hospitals of a general character from 110,000 beds to 41,000. Many cities operate public cemeteries and undertaking establishments. There has been a very remarkable growth since the War in opportunities for physical exercise and in public establishments for bathing purposes. Recreation areas and stadia have been built in very extensively.

Finally, considerable attention has been devoted to the advancement of what may be called cultural opportunities under public auspices. This applies to the progress made in connection with the higher schools for girls, with vocational schools of various types and the like. For cultural purposes, the disbursements of the German communes increased almost 90,000,000 reichsmarks over the preceding year. Special consideration has been given to the support of the public theaters.

Considering the financial handicaps under which Germany has been operating since the War, this may be looked upon as a very astounding record.—*Zeitschrift für Kommunalwirtschaft*, October 25, 1929.

GOVERNMENTAL RESEARCH ASSOCIATION NOTES

EDITED BY RUSSELL FORBES

Secretary

Recent Reports of Research Agencies.—The following reports have been received at the central library of the Association since November 1, 1929:

Chicago Bureau of Public Efficiency:
Tax and Bond Propositions to be Voted upon November 5, 1929.
Cincinnati Bureau of Governmental Research:
The Regulation of Minor Highway Privileges in Cincinnati.
The Sinking Fund of the County of Hamilton.
Taxpayers' Association of New Mexico:
Memorandum on Transportation of Pupils.
Bureau of Municipal Research of Philadelphia:
Procedure and Time Required to Authorize Loans of the City of Philadelphia.

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Officers for 1930.—The recent mail referendum of the membership resulted in the election of the following as the executive committee for the year 1930: William C. Beyer, director, Philadelphia Bureau of Municipal Research; John B. Blandford, Jr., director, Cincinnati Bureau of Governmental Research; Harry H. Freeman, director, Buffalo Bureau of Municipal Research; Luther Gulick, director, National Institute of Public Administration; and Lent D. Upson, director, Detroit Bureau of Governmental Research. The ballots were opened and counted by the Proportional Representation League of Philadelphia.

In connection with the annual convention in Chicago, the executive committee met on November 12 and elected the following officers for the ensuing year: chairman, Harry H. Freeman; vice-chairman, John B. Blandford, Jr.; and secretary-treasurer, Russell Forbes.

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Citizens' and Taxpayers' League of Buncombe County (Asheville, N. C.).—For the past three months the League has been issuing a monthly bulletin to its members. The League's objectives are as follows: fair elections with equal privileges for every candidate; a competent business administration for the city of Asheville and the county of Buncombe; elimination of waste and consolidation of governmental agencies to increase efficiency and reduce expenses; home rule for city and county schools; repeal of all laws that have tended toward special privilege; thorough and impartial revaluation of real and personal property; revision of the taxing system so as to compel the listing of intangibles.

The League has begun discussion of managerial form of government for Asheville and for Buncombe County, and also the possible consolidation of county and city governments under one management.

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Boston Finance Commission.—On October 9 the term of John C. L. Dowling as chairman of the Finance Commission expired. On that date the governor appointed Frank A. Goodwin to the chairmanship and Mr. Goodwin took office on October 16. Mr. Goodwin is well known as the former registrar of motor vehicles for the state of Massachusetts and the leading advocate of a state insurance fund to handle compulsory liability insurance on motor vehicles.

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California Taxpayers' Association.—The Association has been asked by the board of education of Pasadena, California, to make a study of its educational system. The board has voted $5700 for the study. The survey is designed to render to the board of education the fullest amount of general information pertaining to schools.

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Civic Affairs Department, Indianapolis Chamber of Commerce.—The department completed its study of municipal budgets and its presentation of budget recommendations in November. From the time when the first official proposals were made until final action was taken, 1930 budget proposals were reduced more than $3,800,000. Proposed tax levies were reduced in the final action 54 cents on each $100. For the first time in the half-dozen years of budget

study of the department, every local budget is adequately financed. The department believes that the appropriations for 1930 also are adequate. The levies finally adopted are 2.6 per cent greater for local purposes than in 1929, but the increases are made for meeting the deficit in the county budget of 1929 and preventing its recurrence in 1930. All other budget expansions were financed by the increase in assessed valuations amounting to over $17,000,000.

The department especially compliments the officials of the civil city for their very business-like preparation and consideration of their budgets. These were, excepting one small item, finally approved by the taxpayers without appeal to the state board of tax commissioners for review. The department now plans progress in its campaign to bring about formulation of a long-term program of public improvements.

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The Bureau of Public Research (Jacksonville, Florida).—The Bureau opened its office on January 20, 1929. An intensive campaign for members over a period of five months resulted in 311 memberships, representing over 40 per cent of local taxable values.

To date the Bureau has issued a booklet of general information and four bulletins on current local issues. Whereas formerly bond elections have been decided by as few as 1,000 votes, the publicity of the Bureau was credited this year with bringing out over three times that number of voters to the polls. Our efforts have been followed by a general policy of economy in regard to bond issues and lower city taxes. During the past year the city of Jacksonville has reduced its tax millage from 24.5 in 1928 to 21.8 in 1929.

While the scope of our research is confined to Duval County and the city of Jacksonville, ours is a pioneer effort in the state of Florida to analyze for the citizens matters of public expenditure from a non-political, non-partisan point of view, and as such has met with a very favorable response.

*

National Institute of Public Administration.—The survey and audit of the New Jersey state government, which the Institute was engaged last April to make, is nearing completion. Within a short time a comprehensive report will be submitted to Governor Larson and the special legislative committee on audit and finance, covering the administrative structure and methods and the condition of the state's finances. Some of the preliminary findings of the Institute have already been published by the newspapers. Considerable public interest is being shown in the recommendations and outcome of the survey. The governor and the legislative leaders, however, are awaiting the complete report of the Institute before committing themselves on the readjustment and modernization of the state's administrative machinery and fiscal system.

Bruce Smith and his staff from the Institute have completed their survey of the Chicago police department and are now engaged in installing their recommendations aimed at reorganization of the force.

The committee on Uniform Crime Records of the International Association of Chiefs of Police has issued a new edition of their *Report on Uniform Crime Records*. The committee has also published a revised edition of a *Guide for Preparing Annual Police Reports*. Bruce Smith is the committee's director of research.

Luther Gulick, director of the Institute, has been retained by the New York State Commission on Old Age Security to organize and direct its research work. This Commission was appointed jointly by the legislature and the governor at the close of the 1929 session of the legislature to deal with the problem of old age security. The act providing for the Commission (chapter 664 of the laws of 1929) requires the Commission not only to study the problem of old age pensions, but to deal also with the problem of the older worker in industry, with the existing poor law, and with the institutional provision for the aged, particularly through district infirmaries.

The Commission has as yet reached no conclusions with regard to its report to the legislature. Extensive public hearings have been held in Buffalo, Rochester, Syracuse, Albany and New York. It is expected that the Commission will report to the legislature early in 1930.

*

The Taxpayers' Association of New Mexico.—The Association has completed a study of 400 school transportation routes in New Mexico covering about two-thirds of those in operation during the last fiscal year ending June 30, 1929. The investigation shows that it costs one cent per mile per pupil. In New Mexico there is only one district in which the school buses are publicly owned, transportation being furnished through contract with private individuals. The average cost per route is $816.50 and the average cost per pupil is $50.11 a year.

The Ohio Institute.—A Summary of receipts and expenditures of the state of Ohio and all its subdivisions for the calendar year 1928 has been compiled and will be published soon.

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Schenectady Bureau of Municipal Research.—The board of directors has approved a tentative work program for the coming year which includes two surveys of important departments of city government involving a considerable amount of detailed research. The complete program is as follows: survey of collection and disposal of municipal wastes; survey of police administration; survey of the procedure in settling damage claims against the city; completion of charities survey; continuing study of city finances; continuing work on previous reports; monthly letters and special analyses; current problems.

In conjunction with the department of political science at Union College, the Bureau has started a plan which it is hoped will eventually prove highly beneficial to both the college and the Bureau. Students in the municipal government group, under the direction of assistant professor Henry R. Enslow, spend one afternoon a week at the Bureau, assisting in routine work. It is planned to have members of the Bureau staff lecture at the college later in the year on various municipal problems.

The managing director recently made a trip of investigation to Buffalo and Cleveland where social workers were consulted on the latest developments in organized welfare work. A representative group of women has been appointed by the league of women voters to assist the Bureau in this study. This group will shortly be called together to exchange viewpoints on local social problems and to hear the report of the managing director who will outline the characteristics of other municipal welfare systems which might be applied to Schenectady.

The Bureau has been engaged in the preparation of the local law designed to correct certain defects in the delinquent tax system which were brought to light by the study of last year. However, it is reported that the New York state legislature in the coming session will pass an optional delinquent tax law providing for a foreclosure procedure and other modern provisions along the lines suggested by the Bureau report. It is now planned to await the action of the legislature before urging local consideration of the matter, inasmuch as such legislative action would definitely settle questions as to the legality of certain provisions proposed locally.

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Stamford (Connecticut) Taxpayers' Association.—In November the Association completed the financing of a three-year program. Paul B. Wilcox has been selected as executive director. Mr. Wilcox will be remembered as a former executive secretary of the International City Managers' Association, assistant city manager of East Cleveland, Ohio, and assistant city manager of Miami, Florida. He has done city efficiency work in Los Angeles, Duluth, and Omaha. He m naged the city manager charter campaign in Long Beach in 1920.

The mayor's recently-appointed charter revision commission is debating the advisability of preparing a new charter providing for the city manager plan.

The efforts of the Taxpayers' Association, though hampered by a small budget, will be directed toward an educational campaign in behalf of a better form of government; reappraisal of property; a forward-looking permanent improvement program; and a definite financial program.

*

Toledo Commission of Publicity and Efficiency.—Among the things that engaged the attention of the Commission preceding the November election was an analysis of the comparative park acreage of cities of the United States comparable to Toledo. This showed that Toledo was slightly below the average in park acreage, in proportion to population, and quite deficient in children's playgrounds and neighborhood playfield parks. This report was made with a proposed $500,000 park lands bond issue in mind. This bond issue failed of approval at the election.

Another project was a study of the possible effect on the tax rate of the passage of the $1,250,000 bond issue and the approval of three separate tax levies. Only the bond issue for street widening passed, and, of the three levies, a two-mill operating levy for the board of education and a one-mill road levy were approved.

In a study just completed, the 1930 tax rate for all the governmental taxing districts in Toledo are analyzed. Studies under way deal with the conditions under which certified milk is produced; paving inspection; and the personnel, salaries, equipment and working conditions of fire departments in cities of the United States of over 50,000 population.

NOTES AND EVENTS

EDITED BY H. W. DODDS

Vote Slackers a Liability.—Since the election of November 5 in Detroit there is unanimous agreement that non-voting by disinterested citizens was the chief factor responsible for the failure of Mayor John C. Lodge to receive renomination and reëlection. Regardless of political affiliations, it is agreed that although Mr. Lodge adhered to his policy of 1927, refusing to make any campaign, his principal liability consisted in the assumption shared by many thousands of Detroit's citizens prior to the primary, October 8, that Mr. Lodge would unquestionably be nominated at the primary, after which the Lodge forces would organize and wage a vigorous campaign for his reëlection. In the primary vote, however, Lodge ran third. Charles Bowles, who later was chosen mayor by a majority of 8,462, and John W. Smith, former mayor, became the nominees.

This is the second time in recent years when highly critical decisions in Detroit elections have been made on the negative side by the failure of many citizens to go to the polls.

In the past decade the Detroit municipal court, under a unified plan, has occupied much public attention, but the question of court policy, it is agreed, was determined in 1923 when four of the seven judges were supported by the progressive elements and two of the four suffered defeat through the inaction of thousands of citizens whose personal opinions, without question, favored the so-called "Big Four." In a registration of more than 300,000 voters, slightly under 125,000 votes were cast. It was recognized and has subsequently been admitted that a vote of 150,000—an even half of the qualified registration—would have assured reëlection of the four judges whose ideas had determined the policy of the court. Since 1923 a great mass of delicate and important public questions centering in the court have been decided according to the liberal policy which resulted from the 1923 election.

These facts are cited as bits of evidence to be considered by students of the problem of non-voting. Whereas it is often contended that an unreliable election system, or a list of party "machine" candidates who make no appeal to disinterested citizens, in many cases may justify voters' indifference, in Detroit the election system, with the complete non-partisanship of city government, almost complete home rule in city affairs, and many other factors affecting local government, together constitute an indictment of those so-called good citizens who are more interested in their bridge game or golf score on election day than they are in expressing themselves at the polls. Under present conditions Detroiters believe that the greatest liability on the present and future governmental welfare of the city is that of the thousands of citizens who neglect responsibilities of the ballot.

W. P. LOVETT.

*

Home-Owning Possible for Wage Earners.—"Can a family having an income as low as $1,800 to $2,500 a year own its home?" This question is asked, and, after a thorough analysis of every cost entering into the ownership of a single-family, detached house, answered affirmatively in a report on the Economics of Land Subdivision, published by the Regional Plan of New York and Its Environs. The report was prepared for the Regional Plan by Robert Whitten, a planning expert, as one of a series of studies on the problems of planning unbuilt areas.

Not all families of the $1,800 to $2,500 income level can own homes, it is pointed out, but those which are able to pay $10 per room for four or five rooms in a tenement building—and there are many such—can, for the same monthly payment, buy a small but well-built house in the outskirts of the city or in the suburbs. And the payment will cover interest and amortization, taxes, insurance, repairs and even coal.

But there are certain conditions which must be fulfilled to make this possible. The home must be part of a "neighborhood unit," permanently planned in advance to make possible great economies not otherwise obtainable. Proper zoning would assure that none of the land in the unit of about 160 acres would ever be used for anything but single-family houses; that is, none except the definite areas set aside for business, schools, churches and other public purposes. This would mean that the approximate density of population would be permanently fixed.

With the assurance that the population would

never be much greater than that for which the community was originally planned, the streets within the unit could be made much narrower than the law now reasonably requires. The boundary streets which would carry all through traffic would, on the other hand, be wider. Despite the extra land given over for the boundary streets, the net area of land available for building lots would be greater, resulting in an important economy. Also, narrower streets would mean lower paving costs. The definite low population-density would likewise mean that smaller sewage and water mains could be used throughout the unit, with another saving in cost.

Contrary to the general belief that it is always desirable to build where land values will rise, the report points out that one of the chief advantages of the neighborhood unit is that it will stabilize land values, preventing sharply rising land values and consequent rising taxes.

Despite the low cost of the houses in such a neighborhood unit, there would be many parks, playgrounds for the children, convenient shopping centers, community centers and other amenities of community life.

Five-room houses would be built on 40-foot lots; smaller houses on 30-foot lots, and larger houses on correspondingly larger lots. For a five-room house, the cost of the house itself plus lot improvements would be $5,150. The carrying cost of $50 per month assumes a down payment of $650, and is based on an annual requirement of $172 for taxes, water, insurance and repairs; a six per cent interest charge of $186 on a first mortgage of $3,100, and an interest and amortization charge over a period of 17 years of $134 on a second mortgage of $1,400.

As evidence that such houses are needed, the report points to the thousands of small houses on narrow lots that have been built in Queens to sell for from $4,800 to $7,500. "These houses, some of flimsy construction, and all built in monotonous rows and on narrow lots, with most street improvements lacking, and with no provision for community life or for parks and playgrounds, are but a sorry makeshift as a solution of the housing problem."

While low-cost housing cannot be built on high-cost land, there is much land, both within the city and without, that could be developed as low-cost neighborhood units, particularly since the cost of raw land is only a small percentage of the final cost of improved land and house.

Census Data by Neighborhood Areas.—George A. Lundberg, writing in the *Pittsburgh Record* published by the University of Pittsburgh, announces that Pittsburgh in common with numerous other cities is planning to take advantage of the offer of the census bureau to make tabulations of census data by neighboring areas. He points out that New York was the first to take this action twenty years ago. The city was divided into about three thousand census tracts and tabulations were made out for each tract. Chicago, St. Louis, and Cleveland were among the cities which secured similar tabulations in the census of 1920.

The population data of Pittsburgh, which in the previous census were tabulated according to the twenty-eight wards, will this year be tabulated by about two hundred carefully plotted tracts. Since such a tabulation involves additional expense the Census Bureau requires that each city desiring it bear the extra cost. The value of the information to civic and commercial bodies is so great, however, that local financial support is ordinarily easy to obtain when the advantages are made clear.

Political boundaries rarely follow racial, political, or economic dividing lines. For this reason, every city should take advantage of the offer of the census bureau to bring population data into conformity with the needs of business, government, and public welfare.

*

To Relieve Traffic Congestion in New York City.—Following a year's study, the firm of Day and Zimmerman, Philadelphia traffic engineers, has submitted to the city of New York a billion-dollar traffic-relief program. Following closely upon the reports of the Regional Plan of New York, the engineers' recommendations are attracting unusual attention. Harold M. Lewis, executive engineer of the Regional Plan, characterizes the Day and Zimmerman proposals as "a very great step forward."

The city of New York now possesses adequate data upon which to adopt an official plan and begin to carry it out. The engineers' report recommends the following major projects to be completed as soon as possible:

The Triborough Bridge, linking the Bronx and Queens with Manhattan. Work on this project has already begun.

The midtown vehicular tunnel under the East River, joining Thirty-eighth Street, Manhattan, with Long Island City. A crosstown tube extension to Tenth Avenue, Manhattan, and a

Long Island City branch on Borden Avenue are also recommended. This project has been authorized by the board of estimate and plans are being completed.

A north-and-south highway extending from the Brooklyn terminus of the proposed Narrows tunnel to Staten Island to the intersection of Astoria and Twelfth Avenues in Queens. The report estimates the cost of such a highway at about $70,000,000.

A west-side marginal highway along the Hudson River front to carry through traffic from lower Manhattan to the Bronx. This project has already been started under the plan for the west-side express highway.

An east-side marginal highway along the East River front to carry traffic from lower Manhattan to the Bronx. The board of estimate has approved such a plan in principle.

A $66,000,000 vehicular tunnel to extend from the Battery to Brooklyn, passing under Governors Island, with a Manhattan terminal at Cedar and West Streets and a Brooklyn terminal near Hicks Street.

Other projects deemed not immediately necessary, but ultimately desirable, include a $200,000,000 vehicular tunnel extending nearly the full length of Manhattan Island, with most of its course under Fifth Avenue. While the majority of the engineers' proposals seem to have met with popular favor, there is widespread doubt as to the economic soundness of the Fifth Avenue tunnel.

*

How Playgrounds Affect Values.—The effects of parks on land values are generally accepted as beneficial. Whether playgrounds are such desirable neighbors has been a matter of more doubt, and we are indebted to *Parks and Playgrounds* for the publication of an abstract of a study by Jacob W. Feldman of the relation of playgrounds to the values of lands bordering on or adjacent to them. The study is confined to playgrounds in Brooklyn, New York, and Orange, New Jersey. From a wealth of data the author draws the following conclusions:

(a) Where playgrounds are located in residential districts the "bordering on" property values show a greater percentage of increase than the "adjacent to" property.

(b) Where playgrounds are located in business districts the "adjacent to" property values show a greater percentage of increase than that of the "bordering on" property values.

(c) Playgrounds do not effect a decline in land value of the "bordering on" and "adjacent to" property after the playground is established.

(d) Playgrounds show the greatest effect on percentage of increase in land values when located in a residential district; the "higher class" the residential district is, the higher the percentage of increase.

(e) When business and industry invade the property "bordering on" and "adjacent to" a playground, the benefit of the playground as shown in land value is very much decreased.

(f) The effect of playgrounds on the surrounding property values depends on the uses to which this land is put.

(g) Of playgrounds studied, the factor of the size of the playgrounds does not affect the relative increase of land values "bordering on" and "adjacent to" property.

(h) Small plots of land used as playgrounds do not appear to affect land values in Brooklyn, New York, but they appear to have a decided effect on land values in Orange, New Jersey.

(i) Parks changed to playgrounds do not cause a decline in land value of the property "bordering on" and "adjacent to" the playground.

(j) Where there is a good deal of surrounding vacant land, playgrounds do not appear to affect land values.

(k) To have the greatest effect of increasing land values a playground should be bordered on all sides by residential streets.

(l) None of the above conclusions are meant to indicate that they would apply in all cases, but they do apply to the playgrounds that have been studied in this investigation.

*

University of California Expands Work in Public Administration.—Assistance of the Rockefeller Foundation and the state will enable the University of California to start a program of teaching and research in public administration, beginning July 1, 1930. In addition to existing funds an available amount of more than $262,000 will be expended by 1936. The Rockefeller Foundation's gift will aid the work during the first six years at least.

The new project has been planned and sponsored by a committee headed by S. C. May, associate professor of political science, under whose direction it will be conducted. Among the purposes of the project as outlined by Professor May are the following:

1. To collect, classify and make available the existing materials and information which are required for an understanding of the varied work of government.

2. To develop systematically through the various existing departments of the University a continuous and coördinated program of comparative field investigations concerning the administrative structure for the performance of government work.

3. To bring about coördination of research among departments interested in special government fields.

4. To establish and conduct carefully planned

coöperative programs of research in those fields of public administration not now fully developed by the University; such as, the administration of criminal justice, the administration of civil justice, various phases of city and regional planning, policy administration.

5. To coöperate with civic organizations, bureaus of governmental research, leagues of municipalities, public officials, and individuals in securing or giving information, making investigations or conducting research.

6. To publish the results of investigation and research in public administration.

7. To offer upper division and graduate instruction in those aspects of public administration which are applicable to all government organization units regardless of the particular function each may perform.

8. To carry on a continuous study of the opportunities and requirements of the public service so that educational problems involved in training for government administration may be intelligently solved, and that properly prepared students may find suitable positions.

The League of California Municipalities is moving its office to the University as a part of the expanded program, but will not, of course, share in the funds mentioned in the first paragraph of this note. The League's budget is $15,000 per year.

⚜

New York State Increases Number of Regional Police Schools.—Plans for regional training of policemen of every city and village in New York state have been announced by the Advisory Council on Police Training representing the New York State Conference of Mayors, the New York State Police Chiefs' Association, and the State School for Police.

Eighteen zone police-training schools will be in operation this winter. Ten such schools were operated last winter with a total average weekly attendance of 2,400 policemen. These schools will be located at Albany, Binghamton, Buffalo, Elmira, Geneva, Jamestown, Kingston, Middletown, Mineola, Plattsburg, Poughkeepsie, Rochester, Schenectady, Syracuse, Troy, Utica, Watertown, and White Plains.

A training school for the instructors of the eighteen zone school was held at Poughkeepsie, beginning on November 11 and ending on November 23. The school last year was operated for only one week. But the advisory council decided that instructors need more intensive training than they have heretofore received, so provisions were made not only to increase the time for the instructors' school but also to add five members to the training staff. Each police department operating a zone school sent its instructor to the Poughkeepsie school.

The curriculum used in the zone and instructors' schools this year contains several new subjects. Among the branches taught are: patrols, street conditions, civics, contact with the public, juveniles, vagrancy, crime classification, court procedure, methods of thieves, traffic, homicide, observation, and evidence.

⚜

Annual Meeting of the American Municipal Association.—The annual meeting of the American Municipal Association was held in Chicago immediately following the convention of the National Municipal League. Among the resolutions adopted was one authorizing the president of the Association to appoint three representatives to the governing committee of the Municipal Administration Service. The following organizations are now officially represented in the government of the Municipal Administration Service: National Municipal League, Governmental Research Association, International City Managers' Association, and the American Municipal Association.

Harvey W. Draper, secretary of the League of Texas Municipalities, was elected president for the ensuing year; Sedley H. Phinney, of the New Jersey State League of Municipalities, was elected vice president; Frederick H. Macmillin of Wisconsin, James Errant of Oklahoma, and Harold D. Smith of Michigan, were elected to the board of trustees.

⚜

Harvard School of City Planning.—A school of city planning, the first in this country, has been founded at Harvard University under the directorship of Professor Henry Vincent Hubbard, who has also been named as the first incumbent of the new Charles D. Norton chair of regional planning. The degree of Master in City Planning has been established for those who successfully complete the work of the school. This degree is the first of its kind to be offered in any American university. Officers of instruction and research include many persons familiar to readers of the NATIONAL MUNICIPAL REVIEW.

The work for the degree covers a three-year curriculum of which municipal government and municipal administration form a part.

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THE LEAGUE'S BUSINESS

Proceedings of Chicago Meeting Now Ready.—The Governmental Research Association has issued in mimeographed form complete proceedings of the National Conference on Improving Government held in Chicago November 12, 13, and 14, 1929. Although published by the Governmental Research Association, the *Proceedings* will be of interest to members of the National Municipal League, since all meetings of the Conference are reported. The *Proceedings* are sold for $2.00 per copy and may be secured from the Governmental Research Association, 261 Broadway, New York City.

*

Committee Activities.—A preliminary report is now being prepared by our *Committee on Organized Citizen Participation in Government*, of which Carl H. Pforzheimer is chairman, and W. P. Lovett is secretary. To facilitate the compilation of a tentative report, Dr. Lent D. Upson, director of the Detroit Bureau of Governmental Research, has assigned Mr. Charlton F. Chute of his staff to work under Mr. Lovett's supervision in the office of the Detroit Citizens' League. Mr. Chute is collaborating with Mr. Lovett in the preparation of the tentative report which will be submitted to the committee members for criticism in the near future.

Our *Committee on the County Manager Plan* held a meeting at New Orleans on December 28 in connection with the annual convention of the American Political Science Association. The following members of the committee attended the New Orleans meeting: Prof. John A. Fairlie, *chairman;* Professor Paul W. Wager, *secretary;* Frank G. Bates; A. R. Hatton; James Errant; and Samuel C. May.

The committee spent almost an entire day hard at work in the preparation of its tentative report. Special attention was given to Professor Wager's tentative draft of a proposed model law which would set up the manager form of government for counties.

A further meeting of the committee was held at the City Club of New York on February 1, when further progress was made towards the completion of the report and the recommended model law.

Meanwhile the work of this committee is attracting attention and arousing interest in all parts of the country. Inquiries are coming in constantly to the central office asking for information, copies of the committee report, and suggested laws. It is expected that laws on county management will be introduced at the present session of the state legislatures in California and Virginia. Perhaps the most conclusive proof of the current interest in this subject is the fact that the H. W. Wilson Company is now preparing a volume on the county manager plan which is intended for use by either the affirmative or negative side in public debates on the subject.